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hawk-i
**Technical Proposal for
Administrative Services
for the Healthy and Well
Kids in Iowa Program**

RFP #FHWS-08-17

February 6, 2008

Submitted to:

Jon Neiderbach, Issuing Officer
Iowa Department of Human Services
Division of Financial, Health, and Work Supports
Hoover State Office Building, 5th Floor
12305 East Walnut
Des Moines, IA 50319

Submitted by:

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February 6, 2008

Jon Neiderbach
Issuing Officer
Iowa Department of Human Services
Division of Financial, Health and Work Supports
Hoover State Office Building, 5th Floor
1305 E. Walnut
Des Moines, Iowa 50319-0114

Re: Request for Proposal #FHWS-08-17: Administrative Services for the Healthy and Well Kids in Iowa (*hawk-i*) Program

Dear Mr. Neiderbach:

Policy Studies Inc. (PSI) is pleased to submit our fully compliant proposal in response to Request for Proposal #FHWS-08-17: Administrative Services for the Healthy and Well Kids in Iowa (*hawk-i*) Program.

As you will learn, our response offers a superior solution which is developed specifically for the Iowa Department of Human Services (DHS) and its families. The solution that PSI proposes offers differentiation in five key areas—experience, partnership, customer service, quality and technology—advantages that will assist the families of the *hawk-i* program here and now as well as into the future.

In operating the Iowa Medicaid Enterprise (IME) Provider Services Unit in Des Moines since 2004, PSI has achieved tremendous success and gained great insight and understanding into DHS through a strong partnership with the State. The forward-looking solution we propose for the *hawk-i* program leverages the success of the IME program and strengthens the foundation for SCHIP success in Iowa. We are confident that we have the proper mixture of elements to deliver a successful *hawk-i* program to the State of Iowa. PSI's drive to be successful, determination to exceed expectations, and sophistication to question the status quo is what differentiates us from the competition. Because of our existing work with Iowa, DHS knows us well, and knows that PSI can be counted on to deliver excellent performance.

We have built our innovative technology solution, the Vida platform, to drive the success of the *hawk-i* program with operational efficiencies and unprecedented accuracy. The Vida platform's client interface will provide DHS with total transparency to all program activities and operations, while our reporting package will supply DHS with the tools to evaluate all aspects of the program.

When Iowa selects PSI as the administrator for the *hawk-i* program, the State will be choosing an experienced, collaborative partner who is committed to delivering excellent service and achieving superior results for Iowa and its families. We are excited about extending our partnership with DHS and making a positive difference in the lives of those we work to serve in Iowa.

We have received and reviewed all sections of the RFP, RFP Amendments 1 and 2, the revised Cost Proposal, and the State's response to vendor questions. We fully understand the work that is being requested and have prepared a proposal which reflects our understanding. We respectfully submit that due to the sensitive nature of the contents of our proposal, a Statement of Confidentiality, included on page 3 of this letter, sets forth our request for redaction of certain material.

It is with pleasure that I, Mark Levy, President of Policy Studies Inc., certify that I am the authorized representative for Policy Studies Inc., and that I am able to bind the company to all statements contained in this proposal. I certify that all services offered and all bid proposal terms, including price, will be firm for 120 days after February 8, 2008.

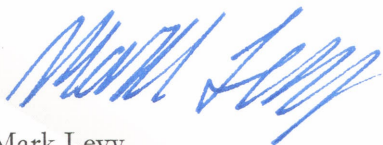
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Should you have any questions about this proposal, please contact Amy Stenner.

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PSI is eagerly looking forward to extending our partnership with Iowa's Department of Human Services. We stand ready to take on the new challenges of the *hawk-i* program and are confident our solution will deliver on our promises.

Sincerely,



Mark Levy
President



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Statement of Confidentiality

Pursuant to Section 2.20 of Request for Proposal #FHWS-08-17, Policy Studies Inc. respectfully requests that all pages of its proposal marked "**PROPRIETARY AND CONFIDENTIAL**" (the "Marked Pages") be withheld from treatment as public information as provided in Iowa Code Chapter 22. The Marked Pages are shown in the redacted version of the proposal submitted by Policy Studies Inc. in response to Section 2.20 of the RFP.

Numerous individual pages within this proposal contain material that is properly classified as confidential information, documents that are otherwise exempt from disclosure under Iowa law and pursuant to Iowa Code § 22.7(3) and Iowa Code § 22.7(6), or both. The Marked Pages are exempt from disclosure due to the fact that they constitute trade secrets, proprietary and confidential information, or both. The contents of the Marked Pages contain information that has significant independent economic value, both actual and potential, from not being generally known and not being readily ascertainable by proper means. Furthermore, the contents of the Marked Pages have been and continue to be the subject of efforts that are reasonable under the circumstances to maintain the secrecy of the information contained on the Marked Pages. Information contained on the Marked Pages, if released, would give a significant and unfair advantage to competitors and would serve no public purpose.

Only portions of the proposal containing exempt information under Iowa law have been marked "**PROPRIETARY AND CONFIDENTIAL**." As requested by Section 2.20, any correspondence relating to this issue may be directed to Elliot Miller, Staff Attorney, Policy Studies Inc., 1875 Lawrence Street, Suite 1500, Denver, Colorado 80202. Elliot Miller may be reached by telephone at (303) 285-7630.



MANDATORY REQUIREMENTS CHECKLIST

Check if requirement is met.

Bidder	DHS	Mandatory Requirements
✓		Bid proposal acknowledges receipt of the Department's responses to questions, requests for clarification, and suggested changes (RFP Section 2.5).
✓		Bid proposal received on time and at correct location (RFP Section 2.9).
✓		Bid proposal format meets RFP preparation requirements (RFP Section 4.1).
✓		Transmittal Letter with all required content/information (RFP Section 4.2.1).
✓		Mandatory Requirement Checklist (RFP Section 4.2.2)
✓		Table of Contents (RFP Section 4.2.3).
✓		Executive Summary (RFP Section 4.2.4)
✓		Background information with all required content/information (RFP Section 4.2.5).
✓		Bid proposal is fully responsive and able to meet the service requirements (RFP Section 4.2.6).
✓		Experience information with all required content/information (RFP Section 4.2.7).
✓		Personnel information with all required content/information (RFP Section 4.2.8).
✓		Financial information with all required content/information (RFP Section 4.2.9).
✓		Termination, litigation and investigation information (RFP Section 4.2.10).
✓		Acceptance of terms and conditions stipulation (RFP Section 4.2.11).
✓		Proposal certification (RFP Section 4.2.12).
✓		Certification of Independence and No Conflict of Interest (RFP Section 4.2.13)
✓		Certification regarding debarment (RFP Section 4.2.14).
✓		Certification regarding State sales and use tax (RFP Section 4.2.15)
✓		Authorization to release information (RFP Section 4.2.16).
✓		Guarantee of firm bid proposal terms for requested duration (RFP Section 4.2.17).
✓		Bid proposal security (RFP Section 4.2.18).
✓		Cost proposal with all required content/information (RFP Section 4.3).



hawk-i

Technical Proposal for Administrative Services for the Healthy and Well Kids in Iowa Program

RFP #FHWS-08-17

February 6, 2008

Introduction

Transmittal Letter
Mandatory Requirements Checklist

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Executive Summary
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EXECUTIVE SUMMARY

A Long-Term Partner Proposes a Forward-Looking Solution for Iowa

PSI is proud to submit this fully compliant proposal to the Iowa Department of Human Services (DHS) in response to Request for Proposals number FWHS-08-17. Simply stated, we have developed an innovative solution for the State that is built on five core capabilities:

- ◆ Collaborative partnership
- ◆ Extensive experience
- ◆ Responsive customer service
- ◆ Operational excellence
- ◆ Superior technology

Since 2004, PSI has achieved tremendous success working with DHS to take care of the day-to-day essentials of the Iowa Medicaid Enterprise (IME) Provider Services Unit—and to focus on its potential to do more for Iowa families. The driving force behind our past—and future—success is the team we have developed for the IME program. We have staffed the program with highly skilled, experienced, and responsive individuals who have demonstrated their passion for Iowa's families and their dedication to quickly meeting the needs of DHS. We will also staff the Administrative Services for Healthy and Well Kids in Iowa (*hawk-i*) with a highly effective, knowledgeable team and deliver services with exceptional customer service, responsiveness, and accountability.

To empower the knowledge, skills, and passion of our team, we have built our technology solution on PSI's Vida™ platform. In Spanish, *vida* means “life”—a name we chose because our system will be integral to the life of Iowa's *hawk-i* families. The name is also indicative of our system's performance: we designed the Vida platform to

be flexible and highly responsive to change over time. In fact, our solution adjusts to legislative rules changes more quickly and more efficiently than those offered by our competitors. No other vendor can ensure the same monetary savings and effectiveness as PSI—a bold claim to be sure. However, it is backed by independent evaluations that determined our technology solution is superior to our competitors' in seven key areas.

Our solution also offers DHS unparalleled visibility into the program and the ability to create and manage information at any time. Empowered with this dynamic technology solution, DHS will have broader opportunities and options when collaborating with the PSI team—not only to satisfy DHS's expectations for administering Iowa's *hawk-i* program, but also to exceed them.

By accepting PSI's proposal, the State of Iowa gains a collaborative partner, an excellent team, access to PSI's innovative Vida platform, and a winning solution.

Five Core Capabilities Drive PSI's Performance

Collaborative Partnership

The partnership that PSI has forged with DHS through the IME Provider Services Unit and various other projects—including the verification of National Provider Identifiers (NPI), the design and support for online provider subscriptions and remittance statements, and the Iowa income maintenance strategic plan—has laid the framework for a solid foundation for future success for DHS's *hawk-i* program. Our ability to partner with the State to find the best solutions for Iowa's children and families has helped us leverage opportunities, achieve excellent results, and bolster the social impact of the IME. In each instance, PSI responded quickly and worked closely with DHS to deliver positive outcomes. For example, at the IME together we:

- ◆ Eliminated a backlog of provider correspondence and applications within five months of the start of the contract. As a result, we now respond to provider inquiries within 24 to 48 hours, exceeding the contract requirement of five days, and added more than 22,800 providers to the program.



- ◆ Developed a compelling presentation for the State to inform policy makers, providers, and constituent groups across Iowa about the vision for the IME program, resulting in full support of the innovative program model.
- ◆ Educated providers about its recently deployed Preferred Drug List. Although it was not part of our contract, PSI delivered training to all providers across the state, demonstrating our commitment to DHS.
- ◆ Fostered cooperation among the nine IME business units to achieve greater efficiency and better outcomes, including verification and reenrollment of 88 percent of all providers in Iowa and conversion to the NPI for a majority of providers.
- ◆ Made process improvements that have dramatically improved performance, including:
 - Cut the time to forward calls to an available agent in half, from 20 seconds to 10 seconds, which resulted in increased service levels and decreased wait time for providers and increased productivity for IME staff.



- Reduced the average hold time for employers from 180 seconds to 41 seconds, thus saving them time and improving their customer service experience.
- Reduced the average time spent each month to create letters notifying providers of approaching stale-dated checks from two days to only two hours.

We will work together with DHS to achieve the same strong results for Iowa's *hawk-i* program. We share in DHS's pride and commitment in extending these much-needed and valued healthcare programs to Iowa's children and families. Our continued collaborative partnership will result in helping more eligible Iowa children and families, while setting the standard for SCHIP services across the country.

PSI's Vida platform enhances our ability to work with and inform DHS of successes and progress. Its robust reporting function—including ad hoc reporting capabilities—enables instant data analysis, allowing us to respond to DHS's needs immediately. We can easily monitor performance, discuss program results with DHS, offer solutions, and make changes quickly. Our solution also offers DHS unparalleled access into the *hawk-i* operations, another tool DHS can use to stay informed about our performance and engaged in our partnership.

Extensive Experience

Over the past 11 years, PSI has gained progressive experience administering multiple SCHIP and Medicaid programs across the country, managing every aspect of service delivery. Our experience translates into an intimate understanding of SCHIP programs and their customers and needs, and a unique solution that quickly addresses multiple challenges, including policy changes, program enhancements, and State and federal funding limitations. For example, we:

- ◆ Are managing nearly 1 million government health services cases (SCHIP and enrollment broker participants)
- ◆ Launched the nation's first successful stand-alone SCHIP in Colorado
- ◆ Created and implemented the first online PeachCare for Kids application in Georgia to help customers get coverage for eligible children faster

- ◆ Acted quickly and effectively to react to legislative actions in Georgia that caused enrollments to close and then reopen within a matter of months
- ◆ Developed a new electronic payment feature in Georgia to facilitate families' ability to maintain their children's coverage and reduce late payments
- ◆ Expanded the number of enrollees in the Florida Healthy Kids and KidCare program from 16,000 in 1996 to more than 363,500 in 2004
- ◆ Responded quickly to significant legislative changes that affected the entire Florida Healthy Kids program for several years, and effectively handled unexpectedly high call and application volumes due to those changes
- ◆ Streamlined enrollment processes and increased efficiencies, resulting in annual savings of more than \$1 million per year for the State of Maryland

Our management team also has extensive Medicaid and health administration experience. Our operations team is familiar with every element of an SCHIP program—from application processing through eligibility determination and enrollment to premium processing, account maintenance, customer service, and quality assurance—which will allow PSI to continue to build on our record of excellence in Iowa as we work with DHS to advance the *hawk-i* program.

Responsive Customer Service

PSI is characterized by our ongoing focus on serving customers efficiently, accurately, and with tremendous respect for their needs and expectations. Our customer service excellence will extend beyond the *hawk-i* call center. We will offer a user-friendly Web site where applicants can learn about the programs and submit their applications. Our convenient IVR system will make it easy for customers to pay their premium by phone or leave a message at any time of the day. We will also send out timely correspondence to notify families of their status or changes to the program.

From the hundreds of customer testimonials we receive each year, our team members understand that their work positively affects hundreds of thousands of families and individuals. This leads us to continually strive to identify ways to improve our services. For example, by focusing on improving processes at the IME, we have significantly improved our performance in responding to inquiries during an initial call—from 82 percent in 2006

PSI's Expert Management Team

Our experienced and skilled management team will partner with DHS to deliver outstanding performance and customer service to benefit Iowa's children and families.



Doug Howard, Senior Vice President, Corporate Solutions. A native Iowan, Howard has more than 23 years of experience in the health and human services industry—including 13 years with the Iowa DHS, four years heading the Michigan human services agency, and several years in leadership positions with the American Public Human Services Association. Backed by his knowledge of Iowa's programs and national best practices, Howard offers Iowa a solid understanding of best practices, health administration, and innovative operational solutions to help advance Iowa's *hawk-i* program in the years ahead.



Dawn Gelle, Regional Vice President. Gelle has more than 12 years of practical experience operating and overseeing a broad range of health and human services programs across the nation. She knows how to use resources efficiently to elicit strong growth, improve performance, smooth transitions and implementations, and achieve excellent results.



Amy Kownack, Client Relationship Executive. With more than a decade of experience managing public health programs, Kownack understands clients' needs, builds collaborative partnerships, monitors performance, and creates strategies that exceed client expectations.



Julie Lovelady, IME Site Manager. Lovelady has more than 15 years' experience with Iowa's Medicaid program, providing day-to-day oversight of the IME Provider Services Unit. She offers strong management skills and delivers effective client communication to ensure success for the IME Provider Services Unit. While Lovelady is not being bid in this proposal, her leadership and expertise in understanding Iowa's Medicaid program will enhance our *hawk-i* operation.



Kelly Peiper, Interim *hawk-i* Program Manager. Peiper offers unique qualifications to this critical role. Her current role as project manager for the NPI project, combined with her success in implementing the IME Provider Service Unit in 2005, her knowledge of Iowa's eligibility programs, and her role in child support start-up offices make her particularly suited to lead a smooth transition to a successful operation. Peiper's current role at the IME will be nearly complete by the time we begin implementation so she can devote her time to the start-up of the program. IME staff members are already trained on and will assume Peiper's responsibilities to avoid interruption at the IME operation.

to 97 percent in 2007. As a testament to customer service excellence, the national Insure Kids Now! campaign recognized Georgia's PeachCare for Kids SCHIP call center for *significantly exceeding* the national call completion rate. The Georgia PeachCare for Kids program completed 100 percent of the calls, while the national completion rate was 93.8 percent.

To achieve similar excellent results for Iowa's *hawk-i* program, we will recruit skilled, empathetic customer service center representatives who are passionate about helping people and committed to excellence. We will also provide comprehensive training and quality assurance programs, standard operating procedures, and ongoing monitoring and coaching to ensure responsiveness and effectiveness with our customers.

Operational Excellence

PSI is committed to delivering measurable, predictable, high-quality results with absolute reliability. As the provider of SCHIP services for Iowa, we will continually explore opportunities to improve program effectiveness, efficiency, and customer friendliness. For instance, at Georgia's PeachCare for Kids SCHIP program, for the past three years, we mailed 100 percent of all applications requested within two business days, and during the same period we processed 100 percent of all applications within the 10-day goal. In 2007, we determined eligibility with 99.5-percent accuracy. We will ensure the same high-quality results for Iowa's *hawk-i* program.

We offer extensive corporate resources dedicated to continuous process improvement, along with a highly trained quality assurance team to monitor, guide, and craft solutions to enhance our results. We also utilize effective technology solutions, such as a workforce management tool and a state-of-the-art telephony system, to track, audit, and boost our staff's performance.



Our Vida platform allows us to improve process flow and use business intelligence to divide the complex *hawk-i* program into easily manageable components, ensuring seamless results, eliminating the possibility of errors, and optimizing program operations. The platform's design also supports rapidly changing, expanding, or shrinking programs and specifically allows the infrastructure to quickly adapt to newly legislated requirements.

"The Iowa Medicaid process is faster than any other state Medicaid program I have ever worked with!"

IME Provider Services Unit Out-of-State Provider

"I highly recommend PSI because they have repeatedly demonstrated their expertise, responsiveness, and reliability, no matter what the challenge. I am confident that PSI can deliver."

Michelle Mickey Rork
Program Director, Georgia PeachCare for Kids

Superior Technology

In selecting PSI, DHS will be a model for SCHIP programs across the country by utilizing the best-performing technology solution in the industry. In late 2006, another state program hired a third-party technology expert to evaluate PSI's Vida application and services and assess all the proposed solutions. PSI's technology approach ranked higher than those of two major competitors on systems development, application and renewal processing, customer service, financial services, administrative services, account maintenance, quality assurance, and value.

Our iterative approach to development means that we will design, develop, deliver, and demonstrate fully functioning code, and then solicit feedback from DHS and users when we enhance the platform. With this approach, DHS actively participates in development and implementation, which ensures that the Vida platform will be fully configured to support the *hawk-i* program. We have also designed our solution to ensure uninterrupted operations and complete security. Our responsive technology solution offers Iowa distinct advantages:

- ◆ **Visibility Into the Operation.** Our HIPAA-compliant solution offers DHS unsurpassed transparency into the day-to-day operations of the *hawk-i* program. Our Vida platform offers secure

Web-based access, requiring only a standard Internet browser. This solution allows DHS staff and designees with appropriate clearance to view account data, including all documents, from any location.

- ◆ **Ability to Create and Manage Reports.** Our solution enables DHS to create reports on any of the elements in the database. This access gives DHS immeasurable advantages, including the ability to effectively and accurately:
 - Make informed policy decisions based on timely and accurate information
 - Respond instantly to requests from the executive and legislative branches of state government
 - Support forecasting and budget preparations
- ◆ **Capability to Respond Quickly to Legislated Changes.** PSI's Vida platform is built on a key assumption: change is inevitable and often happens unexpectedly. To support the rapid changes and program expansions that Iowa's *hawk-i* program could experience, our platform utilizes several modules. These software modules can be removed, modified, and returned to the platform without affecting anything else in the system at a fraction of the cost required by other systems—which was a significant factor to Georgia when it made its decision to select PSI as its SCHIP vendor. The Vida platform also contains an automated test suite, which ensures that changes and updates do not introduce unanticipated results.

- ◆ **Greater Results in Quality, Performance, and Customer Service.** Our platform is designed with the call center and the customer in mind. Through various features, such as a single view of customers, user- and system-defined queries, user-configurable home pages, and dynamic reference pages to commonly accessed information, customer service representatives can respond quickly and effectively to customer inquiries. Other built-in features, like rules engines, automation, and system logic, decrease or eliminate manual processes, reducing the opportunity for human error and greatly improving response times, accuracy, customer service, and overall program performance.

Iowa Can Count on PSI for a Smooth Transition

Over the years, PSI has honed our transition and implementation skills by starting up more than 60 operations, and has repeatedly demonstrated our ability to successfully execute fast transitions. In 2006 alone, our implementation team started six new programs and one expansion program. Our solution for DHS includes a detailed plan identifying key personnel who will focus on overseeing the program's successful implementation and management. We have the necessary support and processes in place to fully and smoothly integrate this program into our current obligations and workload.

PSI Is Nimble, Engaged, and Ready for Iowa's Future

We offer DHS partnership, in-depth experience, responsive customer service, quality, and operational excellence unmatched in the industry to successfully deliver results for Iowa's children and families. We also know that the future holds new legislation as well as breakthroughs in technology and innovations in best practices. We pledge to you that while we will continue to focus on delivering the very best in service today, we will also keep looking toward the future. We will continue to uncover new solutions and bring you the most innovative thinking every day. We look forward to expanding our partnership with Iowa and to making a positive difference in the lives of those we work together to serve.





Section 4.2.5: Background

RFP Requirement: The bidder shall provide the following general background information:

4.2.5.1: Bidder Contact Information

Main office name, address, telephone number, fax number and e-mail address of the bidder including all d/b/a's or assumed names or other operating names of the bidder.

Policy Studies Inc.
1899 Wynkoop Street, Suite 300
Denver, CO 80202
(303) 863-0900 phone; (303) 295-0244 fax
Please email Marty Bobroske at MBobroske@Policy-Studies.com
Policy Studies Inc. also does business as PSI.

4.2.5.2: Business Entity

Form of business entity, i.e., corporation, partnership, proprietorship, limited liability company.

PSI is a privately held corporation.

4.2.5.3: State of Incorporation

State of incorporation, state of formation, or state of organization.

PSI is a Colorado corporation with headquarters in Denver, Colorado. PSI is owned by the holding corporation PSHI, which has PSI as its only asset. PSHI is a Delaware corporation headquartered in Denver, Colorado.

4.2.5.4: Location and Telephone Numbers

Identity and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the bidder's performance under the terms of this RFP.

Please see 4.2.5.1.

4.2.5.5: Local Office Address

Local office address and telephone number (if any).

PSI is yet to finalize a location in Iowa, as it is dependent upon contract award. However, the proposed locations are as follows:

Iowa Mortgage	Aspen Shopping Center	Stefon Plaza
4730 SW 9th St.	6201 SE 14th St	200 Army Post Road #30
Des Moines IA 50315	Des Moines, IA 50320	Des Moines, IA 50315

PSI will use the *hawk-i* phone for its local center: 1-800-257-8563



4.2.5.6: Number of Employees

Number of employees.

PSI has 1,776 employees.

4.2.5.7: Type of Business

Type of business.

PSI is a corporation that specializes in outsourcing, management, and consulting services for the health and human services industry.

4.2.5.8: Bidder's Representation to Contact Regarding This Proposal

Name, address and telephone number of the bidder's representative to contact regarding all contractual and technical matters concerning this proposal.

General inquiries about the proposal:

Amy Stenner

Capture Manager

Policy Studies Inc.

1899 Wynkoop Street, Suite 300

Denver, CO 80202

(303) 285-7215

AStenner@Policy-Studies.com

Inquiries about contract negotiations:

Martin Bobroske

EVP Corporate Solutions

Policy Studies Inc.

1899 Wynkoop Street, Suite 300

Denver, CO 80202

303-285-7881

MBobroske@Policy-Studies.com

4.2.5.9: Bidder's Accounting Firm

Identify the bidder's accounting firm.

Deloitte and Touche, LLP

4.2.5.10: Bidder's Registration to do Business in Iowa

The successful bidder will be required to register to do business in Iowa. If already registered, provide the date of the bidder's registration to do business in Iowa and the name of the bidder's registered agent.

PSI has been registered to do business in the State of Iowa since January 5, 1995.

PSI's registered agent is National Registered Agents, Inc., 604 Locust Street, Suite 22, Des Moines, IA 50309.

4.2.6: Service Requirements

The bidder shall address each service requirement in Section 3 and explain how it plans to approach each requirement. Bidders are given wide latitude in the degree of detail they offer or the extent to which they reveal plans, designs, examples, processes, and procedures. Bid proposals must be fully responsive to the service requirements in Section 3. Merely repeating the requirement will be considered non-responsive and disqualify the bidder. Bid proposals must identify any deviations from the requirements of this RFP the bidder cannot satisfy.

In the following pages, PSI describes its comprehensive and fully compliant solution for handling all aspects of administrative services for the *hawk-i* program, including creating a customer service center staffed with highly qualified people and supported by innovative technology. We address each area of the RFP service requirements in a separate tabbed section, comprising all requirements from RFP Section 3.



Section 3A – Customer Service

3A.1: CUSTOMER SERVICE CENTER

RFP Requirement: The customer service center will be the primary point of contact for most applicants, Enrollees, and other persons inquiring about the program. The customer service center must be located in the greater Des Moines, Iowa area. The TPA shall place a high priority in ensuring that the customer service center is adequately staffed with professional, bi-lingual (English and Spanish speaking), well-trained and courteous personnel who can respond quickly and accurately to callers, provide information, and gather demographic information about the caller when necessary. The TPA shall ensure that all customer service representatives identify themselves by name when answering calls, treat callers with dignity and respect and ensure each caller's right to privacy and confidentiality.

PSI will provide a customer service center well-situated in the greater Des Moines area to serve applicants, program members, and other community members. Like our other program sites throughout the country, the *hawk-i* customer service center will be customer-friendly, comfortable, and convenient, and will provide comparable workspace for co-located DHS staff.

[REDACTED]

[REDACTED] We staff all of our customer service centers with highly trained, compassionate persons so that all visitors and callers receive prompt, excellent service.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Guide to Section 3.A	
3A.1: Customer Service Center	1
3A.2: Staffing Requirements	7
3A.3: Hours of Operation	11
3A.4: Toll-Free Telephone Line	12
3A.5: Telephone System Requirements	13
3A.6: Facsimile (FAX) Line	21
3A.7: Maintain a Web Site	22



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] We will return all voice mail

messages by 11:00 a.m. the next business day, as required by the RFP.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Exhibit 3A-1: [REDACTED]
[REDACTED]

[illegible]



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[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

We use a full suite of communications tools to operate our customer service centers. Our corporate data center has direct responsibility for managing, monitoring, and supporting the phone systems. [REDACTED]

[REDACTED]

Category	Sub-category
Category 1	Sub-category 1.1
Category 1	Sub-category 1.2
Category 2	Sub-category 2.1
Category 2	Sub-category 2.2
Category 3	Sub-category 3.1
Category 3	Sub-category 3.2
Category 4	Sub-category 4.1
Category 4	Sub-category 4.2
Category 5	Sub-category 5.1
Category 5	Sub-category 5.2

Exhibit 3A-2: PSI's Telecommunications Tools.

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3A.2: STAFFING REQUIREMENTS

The proposal shall include a table of organization that names the project manager and identifies how the bidder proposes to structure the functions of the TPA and the number of staff that will be needed to perform each function. For example, the proposal shall clearly identify whether the personnel responsible for making eligibility determinations will also be responsible for call center activity (inbound and outbound calls, etc.). An updated table of organization shall be provided to the Department on a monthly basis identifying any staffing changes within that month.

As a leading health and human services company, PSI's internal and external focus is on people. Given the vital role our employees play in the success of all of our state and county programs, PSI understands the role



that staff recruitment plays. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Customer Service: A PSI Core Value

As a company, PSI truly cares about the programs we serve, and we invest in the people and infrastructure necessary to support outstanding customer service. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Exhibit 3A-3: [REDACTED]

[REDACTED]

The table of organization shown below explains the job functions for each employee in our proposed center. PSI will provide the Department with an updated table of organization monthly, identifying any staffing changes within that month. For an organization chart with a named program manager, please see Section 4.2.8 Personnel.

[illegible]



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<div>[REDACTED]</div>	<div>[REDACTED]</div>
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<div>[REDACTED]</div>	<div>[REDACTED]</div>



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Comprehensive Training for Knowledgeable Staff

The importance of training our staff is something we take seriously at PSI. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Please see Section 3H Training for detailed information regarding our training practices.

3A.3: HOURS OF OPERATION

RFP Requirement: At a minimum, the customer service center shall be staffed five (5) days per week, Monday through Friday, excluding State holidays, from 8:00 a.m. to 7:00 p.m., CST. The State holidays are:

New Years Day; Martin Luther King, Jr.'s Birthday; Memorial Day; July 4th; Labor Day; Veterans Day; Thanksgiving; Day after Thanksgiving; Christmas Day



PSI will staff the *hawk-i* customer service center Mondays through Fridays from 8:00 a.m. to 7:00 p.m. Central Time. The center will be closed on State holidays: New Year's Day, Martin Luther King Jr.'s Birthday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, Day after Thanksgiving, and Christmas Day. Should the State's requirements change, we will work to adjust center hours as needed in order to maintain the level of service.

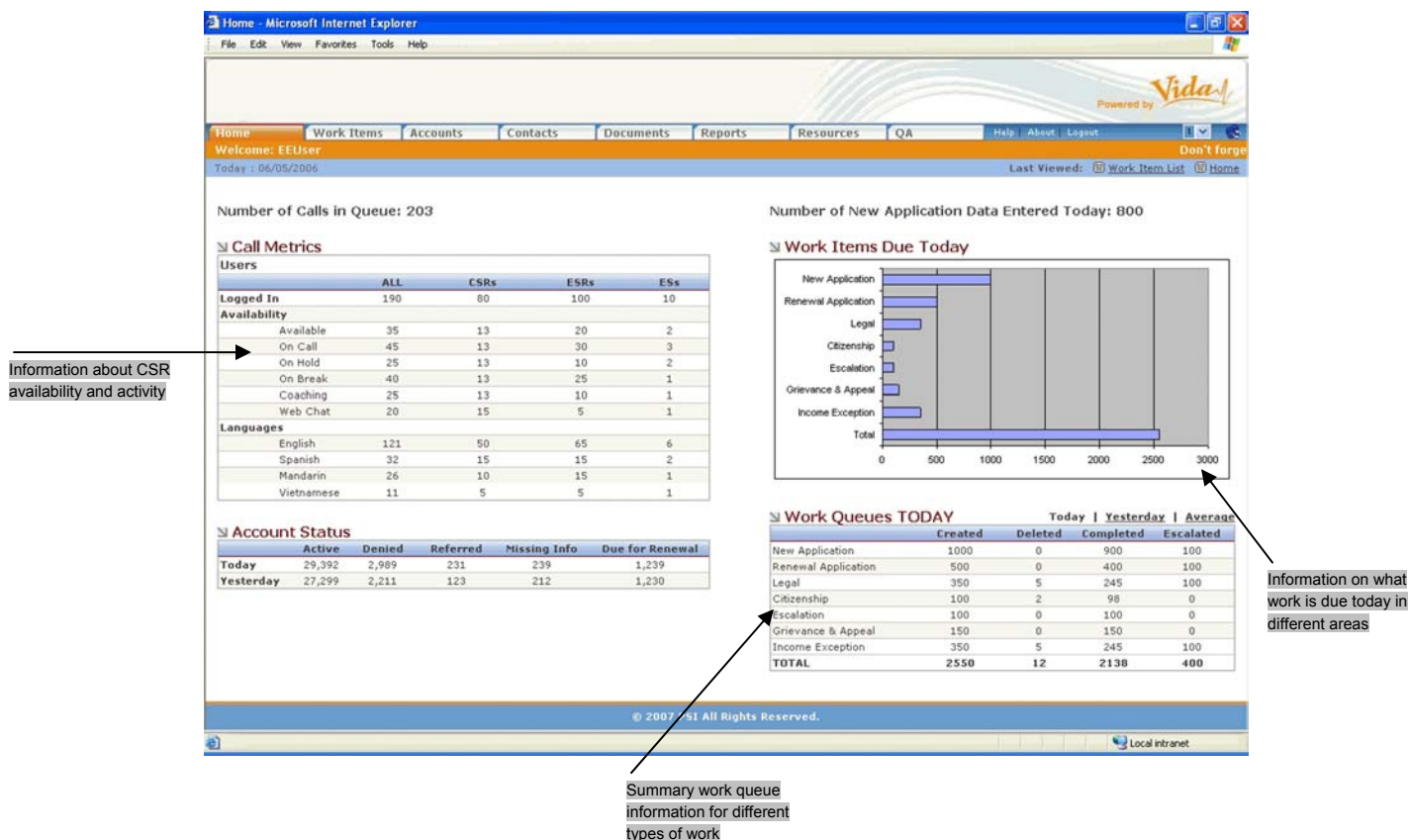
3A.4: TOLL- FREE TELEPHONE LINE

RFP Requirement: The TPA shall be responsible for maintaining and operating a dedicated toll-free telephone line to provide general information about the hawk-i program and to assist applicants, Enrollees, and other callers as requested. The toll free number currently in use for the hawk-i program, 1-800-257-8563, shall continue to be used. The TPA shall be responsible for any fees or expenses associated with the transfer of the toll free number from the Incumbent TPA to the TPA and to the Department upon termination of the Contract.

The TPA shall immediately notify the Department of any incident of telephone service downtime occurring during normal business hours as defined in Section 3A.3 Hours of Operation. For downtime occurring outside normal business hours, the TPA shall notify the Department at the beginning of the next business day. Monthly status reports shall include the date, time, number of minutes of duration, cause and resolution of each downtime incident.

PSI will maintain and operate the existing toll-free telephone line, 1-800-257-8563, to provide general information about *hawk-i* and assist all callers. We will assume the cost of transferring the number from the incumbent Third-Party Administrator to PSI, and subsequently to the Department upon termination of the contract. We have transitioned phone lines from other vendors many times before, including the incumbent vendor, and are used to working through the details of a seamless phone transition.

As part of our regular quality management plan at all our sites, we monitor telephone lines regularly to ensure they are working at all times. As is our practice elsewhere, we will immediately notify the Department of any downtime occurring during business hours. For any after-hours disruption, we will promptly notify the Department at the beginning of the next business day. Our monthly status reports to the Department will include the date, time, duration, cause, and resolution of all downtime incidents.



3A.5: TELEPHONE SYSTEM REQUIREMENTS

RFP Requirement: The telephone system shall be programmed to provide recorded directions on its use to callers in English and in Spanish. The telephone system shall also be capable of handling the anticipated volume of inbound and outbound calls.

Our Telecommunications Systems Help Increase Staff Efficiency

For the *hawk-i* customer service center, PSI will provide a state-of-the-art IP telecommunications phone system with a wide variety of features which can be configured to provide optimum service. [REDACTED]

[REDACTED]

[REDACTED]

In addition, the system provides IVR capability in both English and Spanish. The Interactive Voice Response system (IVR) can be programmed to give information to clients as well as instruct them on inputting information so they can be routed to the staff member whose skill set best meets their needs. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3A.5.1: TDD Capability

RFP Requirement: The telephone line shall have access for a telecommunication device for persons who are deaf or hearing impaired (TDD). The current TDD number of 1-888-422-2319 shall continue to be used. The TPA shall be responsible for any fees or expenses associated with the transfer of the toll-free number from the Incumbent TPA and to the TPA and to the Department upon termination of the Contract.

Sensitive to the needs of hearing-impaired members, PSI uses advanced TeleTypewriter (TTY) technology to serve this segment of customers. At our *hawk-i* customer service center in Des Moines, PSI will use the AT&T Text Telephone for the Hearing Impaired, which we already use at other customer service centers. [REDACTED]

[REDACTED]

At the appropriate time during the contract transition period, we will ensure a smooth transfer of the existing toll-free TDD number, 1-888-422-2319, from Maximus to PSI, assuming all associated fees and expenses. Upon contract termination, we agree to transfer the number to the Department.



3A.5.2: Translator Services

RFP Requirement: The telephone line shall have access to translator services when there is not a customer service representative available who speaks the caller's language. These requirements may be met through an arrangement with a contracted service such as AT&T Language Center. Translator services shall be available during the customer service center's operating hours and shall be initiated via conference call capability so that callers will not have to hang up and redial in order to access these services.

At our many call centers throughout the country, PSI uses Language Line, a professional translation service, to support our CSRs as they serve customers who speak languages other than English and Spanish. We can state with confidence that PSI's customer



service center staff will be able to communicate clearly with all callers to provide the information they seek. Language Line allows us to handle calls in 170 additional languages, virtually all of the world's 6,800 languages. There is no charge to any caller, or any need to redial, as our CSRs can quickly and easily add a Language Line translator to an existing live call. Having partnered with Language Line for many years, we are familiar with their processes, and we include thorough training on using this translation service in our regular staff training curriculum.

3A.5.3: Voice Mail

RFP Requirement: The telephone system shall have voice mailbox capability to ensure that callers have the ability to request applications and leave messages with a specific customer service representative as necessary.

Our customer service center staff will answer calls promptly, with minimal wait time. However, after hours, or at a caller's option, callers can leave a voice mail on our telephone messaging system to request applications, ask for a return call, or relay updated account information. They can leave a message in the general mailbox or in a specific staff member's mailbox. Our staff retrieves messages throughout the day for prompt callbacks; they will return 98 percent of all messages no later than 11:00 a.m. the next business day or 4:30 p.m. after a holiday.

PSI's voice mail system contributes to our ability to provide excellent service to *hawk-i* customers. The system ensures efficient message handling for individuals and the center in general and helps customers when the incoming call load activity is particularly heavy. This system offers message notification features to enhance the timely delivery of messages. In addition, customers can leave messages during non-business hours, providing them a convenient communication option 24 hours a day, 7 days a week.

3A.5.4: ACD System or Similar Telephone System

RFP Requirement: The TPA shall use an automated call distributor ("ACD") system or similar telephone system on the toll-free customer services line. The TPA shall ensure that the telephone system(s) has the ability to:

- ♦ *Effectively manage all calls received by the ACD;*
- ♦ *Assign incoming calls to available customer service representatives; and*
- ♦ *Provide greeting and educational messages (in English and Spanish) approved by the Department while callers are on hold. The TPA shall develop the message for the Department's approval. The Department may request to have the messages changed one (1) time per month at no additional cost. Costs for more frequent message will be negotiated and mutually agreed to by the Department and the TPA.*

At a minimum, the telephone system shall record and aggregate the:

- ♦ *Number of incoming calls;*
- ♦ *Number of calls routed to the general voice mail box during operating hours;*
- ♦ *Number of calls routed to the voice mail box during hours when the customer service center is closed;*
- ♦ *Number of answered calls;*
- ♦ *Average number of calls answered;*
- ♦ *Average speed to answer after the call clears the ACD and is in queue;*
- ♦ *Average talk time;*
- ♦ *Number and percentage of calls answered in less than sixty (60) seconds;*
- ♦ *Number and percentage of calls placed on hold and the average length of hold times;*
- ♦ *Number and percentage of abandoned calls, length of time until each call is abandoned and the call abandonment rate; and*
- ♦ *Number of outbound calls made.*

PSI will install, operate, and monitor an automated call distribution (ACD) system for the customer service center. The phone system, inclusive of the ACD, will allow callers to be directed to the appropriate CSR staff, hear messaging in English and Spanish, and provide reports on all the call metrics requested in the RFP. ■■■■■



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Provide Greeting and Messaging for Calls on Hold

Each caller will receive a greeting and educational message, in both English and Spanish, while on hold. PSI will develop appropriate messages and obtain the Department's approval before deploying the new messaging. If callers must wait for a CSR, they hear music and the messages until a CSR is available. Callers will have the option of leaving a voice message if they do not wish to wait for a CSR. [REDACTED]



[REDACTED]

[REDACTED]

Provide Detailed Analysis as Required for the Reporting Requirements

We will take a two-pronged approach to providing detailed analysis as required for the reporting requirements specified in this RFP. [REDACTED]

[REDACTED]

Real-time and historical reports for the center and specific programs are also posted to a secure PSI location:

- ♦ Number of incoming calls
- ♦ Number of calls routed to the general voice mailbox during operating hours. Within the system's reporting programs is the ability to measure hours of use per day reporting busiest time by the number of calls, so we can adjust staffing levels as needed
- ♦ Number of calls routed to the voice mailbox during hours when the customer service center is closed
- ♦ Number of answered calls
- ♦ Average number of calls answered. [REDACTED]
- ♦ Average speed to answer after the call clears the ACD and is in queue
- ♦ Average talk time
- ♦ Number and percentage of calls answered in less than 60 seconds
- ♦ Number and percentage of calls placed on hold and the average length of hold time
- ♦ Number and percentage of abandoned calls, length of time until each call is abandoned and the call abandonment rate
- ♦ Number of outbound calls made

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Exhibit 3A-4: [REDACTED]



The State will have full access to these reports.

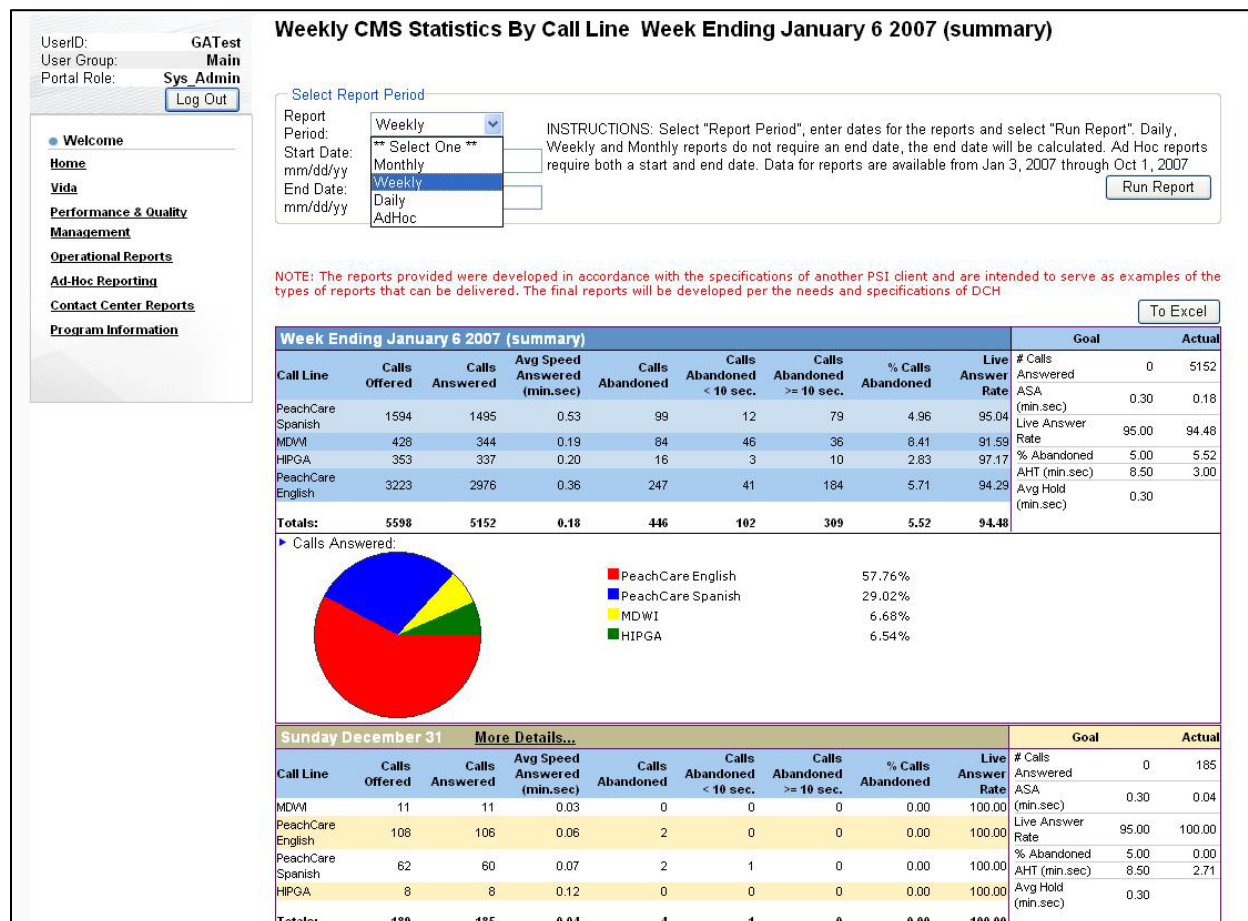


Exhibit 3A-5:

Our Vida platform comprises the second part of our reporting capability.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[illegible]



- ♦ Maintain a call abandonment rate of five (5) percent or less. The Department may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to maintain a call abandonment rate of five (5) percent or less.
- ♦ Maintain a wait service level to ensure that a busy signal/blockage rate is less than five (5) percent. The Department may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to maintain a wait service level to ensure that a busy signal/blockage rate is less than five (5) percent.
- ♦ Return ninety-eight (98) percent all voice mail messages no later than 11:00 a.m. the next business day or at the time specified by the caller. For the workday following a state holiday, voice mail messages must be returned by 4:30 p.m. Central Time that day. The TPA shall make at least three (3) attempts to return all voice mail messages. The Department may deduct from the monthly invoice payment an amount of one thousand dollars (\$1,000) per month for failing to return ninety-eight (98) percent of all voice mail messages no later than 11:00 a.m. the next business day or 4:30 p.m. the next business day after a State Holiday.

The amount of any deduction is not recoverable.

PSI's customer service center will meet all RFP requirements. In our other SCHIP sites, we meet or exceed all phone metrics set forth for the Iowa *hawk-i* program. We agree to the Department's stated penalties for not meeting these requirements. Our understanding of metrics and penalties is as follows:

METRIC	PENALTY FOR FAILURE TO PERFORM
Maintain average wait time of less than 60 seconds after the call clears the ACD for 95 percent of calls	\$1,000 per month
Maintain a call abandonment rate of 5 percent or less	\$1,000 per month
Maintain a busy signal/call blockage rate of less than 5 percent	\$1,000 per month
Return 98 percent of all voice mail messages no later than 11:00 a.m. the next business day or 4:30 p.m. the next business day following a State holiday. Make one call by specified time and a total of at least three calls when attempting to return messages.	\$1,000 per month

3A.6: FACSIMILE (FAX) LINE

RFP Requirement: The TPA shall maintain a facsimile (FAX) line that is available twenty-four (24) hours a day, seven (7) days per week. The number currently in use for the FAX line, 515-457-7701, shall continue to be used. The TPA shall be responsible for any fees or expenses associated with the transfer of the number from the Incumbent TPA to the TPA and to the Department upon termination of the Contract.

The TPA shall also have a toll-free fax line available twenty-four (24) hours a day, seven (7) days per week.

The TPA shall have sufficient FAX server capacity to receive all incoming documents, including but not limited to, applications and supporting documents. The proposal shall describe the logging process for documentation received, the logging of any FAX-related issues or concerns, and the monitoring of FAX activity along with memory capability.

At the appropriate time during the contract transition period, we will ensure a smooth transfer of the existing fax number, 515-457-7701, from Maximus to PSI, assuming all associated fees and expenses. We will continue to keep that number operational at all times, 24 hours a day, seven days a week, throughout the contract term. Upon contract termination, we agree to transfer the fax number to the Department.

Our fax server will have virtually unlimited capacity to receive incoming faxes, such as applications and supporting documents, and automatically assigns a unique ID number to each fax. Our method for logging faxes has proven successful at our other sites. [REDACTED]



As part of our regular system maintenance plan, our staff routinely monitors the operation of the fax server to ensure it is available at all times, 24/7; the system is also self-monitoring, alerting us to problems. Our fax system also allows our staff to conveniently send faxes directly from their desktops, increasing their productivity.

3A.7: MAINTAIN A WEB SITE

RFP Requirement: The TPA shall maintain and update as necessary, or as directed by the Department, a Web site about the hawk-i program. The purpose of the Web site shall be to promote the availability of the program, educate the public regarding changes in policies, participating Health and Dental Plans, benefits and other events related to the program, and dissemination of statistical information.

The Web site shall, at a minimum, be accessible in English, Spanish, and other languages as determined by the Department.

At a minimum, the Web site shall include the following:

- ♦ *Web-based application for completion online;*
- ♦ *A Web-based renewal system;*
- ♦ *An application and renewal form that can be downloaded and printed;*
- ♦ *A link through which schools may refer families whose children participate in the Free and Reduced Meals Program;*
- ♦ *General program information;*
- ♦ *Agendas and minutes of hawk-i Board meetings;*
- ♦ *Participating Health and Dental Plan information. This includes, but is not limited to, the services provided and the counties of the state in which the various Health and Dental Plans are participating and links to participating Health and Dental Plan's Web sites;*
- ♦ *Demographic and statistical data as directed by the Department; and*
- ♦ *Other information and links as determined by the Department.*

The current Web site address of www.hawk-i.org shall be maintained for the hawk-i program. The site content and application programs and the Universal Resource Locator used by the TPA for the programs are owned exclusively by the State and shall remain the property of the State.

The TPA shall be responsible for any fees or expenses associated with the transfer of the Web site domain from MAXIMUS to the TPA and to the Department at the termination of the contract. The Web site shall be registered on the most popular Web search engines. The TPA shall use a contractor server hosting, with the TPA functioning as Webmaster and Web host.

PSI will maintain the existing hawk-i Web site, using the URL www.hawk-i.org, to promote the program and alert site visitors to program policy changes, participating Health and Dental Plans, plan benefits and other events. Using current content, and updating it as needed, PSI agrees that the site will allow for the following:

- ♦ An application in English and Spanish that can be completed and submitted online, or downloaded and printed for mailing
- ♦ An online renewal system for members
- ♦ A link for Iowa schools to transmit data on families whose children participate in the Free and Reduced Meals Program
- ♦ General information about the *hawk-i* program
- ♦ Agendas and minutes of *hawk-i* Board meetings



- ♦ Information about participating Health and Dental Plans, including hot links to their Web sites, general services, and counties where the Plans are available
- ♦ Various demographic and statistical data and other information and links as desired by the Department
- ♦ Program information in English and Spanish
- ♦ 24/7 availability to all users

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PSI's Web site will allow program members to submit renewal forms online as well. The member uses his application number and password to enter renewal information. PSI's Vida system then automatically accesses members' online entries and automatically begins the renewal process. [REDACTED]

[REDACTED]





Section 3B – Application Processing and Eligibility Determination

3B.1: APPLICATION PROCESSING

RFP Requirement: The TPA shall process all applications, including renewal applications, in accordance with Chapter 514I of the Code of Iowa, Iowa Administrative Code Section 441, Chapter 86 (See <http://www.dhs.state.ia.us/policyanalysis/RulesPages/RulesChap.htm>), and written policy clarifications provided by the Department.

PSI processes all paper and online applications, including renewal applications, in accordance with Chapter 514I of the Code of Iowa, Iowa Administrative Code Section 441, Chapter 86, and written policy clarifications provided by the Department. We have read and understand this section of the Iowa Administrative Code.

With PSI, the families of Iowa have the ability to apply in the manner that is most convenient for them: paper; online application; or over the phone. We have a strong track record of substantially exceeding contract metrics in processing applications in similar SCHIP sites, no matter the form in which the applications are received.

The rules engine in the Vida platform (described in detail in Section 3G) reflects Department specifications for the *hawk-i* program, providing assurance that applications are handled correctly in our customer service center. In addition to our technical solution, we employ knowledgeable and experienced staff to handle each application with professionalism, dedication, and an understanding of the program requirements. Our customers' questions are handled with careful consideration and determinations are made quickly and accurately.

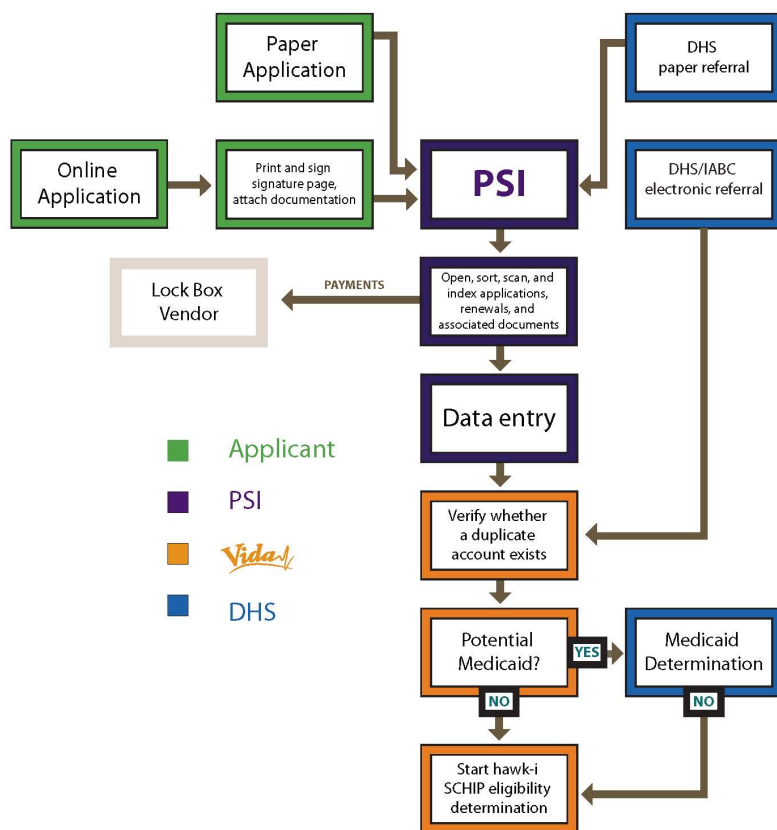
3B.1.1: Receiving Applications

RFP Requirement: The TPA shall have the capability to process initial applications and renewals that are filed either in a paper or in an electronic format. This includes:

- ♦ *Paper applications filed directly with the TPA;*
- ♦ *Electronic applications filed directly with the TPA via the Internet;*
- ♦ *Paper referrals from the local DHS county office; and*
- ♦ *Electronic referrals from the local DHS county office through the Department's LABC eligibility system.*

PSI will process all initial applications and renewals that are filed with us in paper or electronic form, as well as paper and electronic referrals from the local county DHS offices. Below, we provide a systematic outline of our proposed application process using the Vida platform. While offering convenience through various application channels, we also offer processing that takes place in a singular system. Regardless of the application's format, once received, every application is processed through our state-of-the-art Vida platform. The diagram below outlines this process.

Receiving Applications and Initial Processing



There are several different entry points for applications:

- Web-based applications and renewals.** Applications entered online through our secure Web site (www.hawk-i.org) are assigned a unique user ID and are uploaded directly to the Vida platform. Applicants are prompted to fill in all fields, thereby ensuring a complete application. In addition, there are field level edits to ensure that the correct type of information is entered in each field, e.g., valid dates in a date field or numeric characters in a Social Security number field. Once the applicant enters all information, he or she is instructed to print a signature page, sign it, and mail it with the verification documents to our Post Office Box in Des Moines. When printed from the Web, our Vida platform adds an identifying barcode to the signature page; the barcode's document control number associates the signature page with the information entered through the Web site. Applications entered via the Web site will go through the normal screening and eligibility determination processes. However, the application will not be fully processed, nor eligibility finalized, until we receive the signature page and associated documentation.
- Paper-based applications and renewals.** Paper-based applicants for the *hawk-i* program fill out a paper application either sent to them via mail, printed from the Web site, or picked up from another source, such as community-based organizations. Once completed, they mail the application to our Post Office Box in Des Moines.



- **Paper referral from the DHS office.** PSI will send a courier to the DHS Office daily to pick up paper applications and renewals received there. Once received in our office, these paper referrals will follow the same process that the paper-based applications received directly from customers follow.
- **IABC Referrals.** PSI will implement an electronic interface with the IABC system that will allow files to be sent to us via a batch process. We will work with the Department to develop an interface that allows for timely transmission of applications from this system. Upon receipt in the Vida platform, the application is processed in the same manner as described above.

Once the documentation associated with the first three methods of referral—Web-based, paper based, and paper referral from DHS—arrive at PSI’s facility, they follow the same process. The applications and supporting documents, signature pages with verification documents, renewals, and correspondence are picked up daily from our Des Moines P.O. Box by the State courier service between 7 a.m. and 8 a.m. Central time. A State courier will also pick up the applications from DHS. The courier then delivers the contents to our Document Control Unit (DCU) in Des Moines. Our highly trained mail clerk opens, sorts, scans, and classifies all items received. During the scanning process a date and time stamp is sprayed on the document and captured within the electronic file associated with the image. Once scanned, the clerk indexes the documents to indicate the type of document, e.g., W-2, paycheck stub, etc. The rules engine within the Vida platform then assigns the document to a data entry work queue. Our trusted partner, Data Input Service (DIS), has data entry staff that enters the information directly into the Vida platform from work queues, using screens specifically designed to mirror the layout of the documents for maximum productivity. In the case of a Web-based application DIS staff simply enters the information from the signature page and supporting documents; the barcode on the signature page will have been associated with the documents through the scanning process, thereby connecting the signature page and supporting documents to the application data filled in on the Web. In the paper application process and DHS paper referral process, DIS will enter the information from the application as well as the verification documents. Entering the information into one system is both efficient and more secure than other processes, saving time and protecting the information of Iowa families.

Once the data entry step is complete, applications go through the following steps. IABC referrals will also enter the electronic process flow at this point:

1. The Vida platform compares the application to determine if an account already exists for the family or children. Please see our response to Requirement 3B.1.3 for detailed information regarding this process.
2. Once the system determines there is not an existing account for the applicant, the new application data is processed through a series of data matches, including Medicaid, to verify whether they have existing Medicaid coverage or are on a private health plan. If a match occurs with Medicaid, it is noted on the account and the child or children are denied coverage in the *hawk-i* program. If a match with private health insurance is found, it is investigated further by an eligibility specialist, and a notice is sent to the applicant asking for the status of the identified health insurance coverage.
3. Applicants then go through a Medicaid pre-screening based on the data from their application. Medicaid referrals are routed to a work queue that Department staff can access through the Vida platform. The work queue provides information about what needs to be done and links the account to images of the documents received as well as the account data and history. The Department staff authorized to review Medicaid referrals from the *hawk-i* program log into the queue through the Web portal and complete a Medicaid review. Through their portal access, they will be able to see all documents associated with the application, as well as any history on the account that may be useful to them. In the case of a Medicaid



referral, the application is scanned and an electronic copy is kept on file in the Vida platform. The Medicaid staff receives a work queue item that provides access to the electronic copy of the document. While PSI is prepared to provide the original copy of the application, the faster process is for the

Medicaid staff to receive it electronically through the Vida platform.

Medicaid staff could also print a copy of the application from the electronic version if they need a physical copy for their file. This innovation, beyond RFP requirements, demonstrates the efficiency of the Vida system and provides for complete tracking of the status of each application.

◆ **PSI Plus**

We pride ourselves on delivering excellent performance in all our sites. In our Georgia PeachCare for Kids center, we complete the processing of 90% of applications within 4 days, and 100% within 10 days, far exceeding the State's expectations.

- a. Those referrals that are certified as Medicaid eligible by the Department staff are noted as such on the *hawk-i* account record. Thereafter, all communication with the family is generated through the Medicaid program.
- b. If, the Department staff determines that the referral is not Medicaid-eligible, it is routed back to a *hawk-i* work queue for further review and processing by our staff. Once the file is marked as ineligible for Medicaid in the Vida platform, the system routes the work item back to the appropriate staff. The significance is that the system automatically deletes the work queue item from the Medicaid staff and assigns it to a new person, thus eliminating the need for Department staff to take any action. At the same time, a complete history of these actions is recorded in the account and throughout its lifecycle.

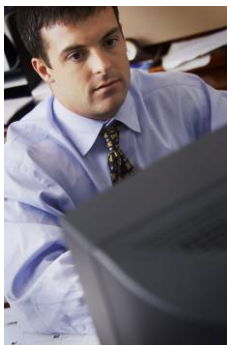
4. Applications that are either referred back from Medicaid, or those that were never referred based on the pre-screening, then move to the income and identity verification process in which skilled users ensure that all needed information for verification is included in the account record. After the eligibility specialist has completed their review and entered information from the applicant's documentation into the account record, the Vida platform determines whether the applicant has met all of the eligibility criteria.
 - a. If the platform determines that the applicant is eligible, the appropriate correspondence is issued advising of the premium level and the first date of coverage. The case is then assigned to a work queue for an eligibility specialist to make a welcome phone call.
 - b. If the applicant does not meet the eligibility criteria, a letter of denial or a letter indicating that the application is being referred to Medicaid is issued. Correspondence is generated in either case to inform the applicant of the decision. If there is additional information that needs to be supplied, we request the additional information required to complete the determination of eligibility within three business days of receiving the application.

The speed with which applications are processed is a benefit to applicants. As documents are scanned and indexed, they go immediately to the appropriate work queues and can be data entered shortly after that. As a result, a document that is scanned and indexed is in the data entry queue within minutes. Assuming all the documentation for the application is contained within the first submission and that person is eligible, a notification of eligibility can be mailed the following day.

PSI is confident that in both the electronic and paper processes, a completed application or renewal, i.e. one in which all fields required for completion of the determination have been entered by the parent and all necessary documentation supplied, can be processed by the Vida platform and our staff within 10 business days from the date of receipt of the application. Based on our proven track record in other SCHIP programs, we expect to complete processing in substantially less time.

3B.1.2: Date of Receipt

RFP Requirement: The TPA shall date-stamp all paper applications and renewals and record the date of receipt on applications received electronically to document the date the application was filed. The date of receipt is the date by which application-processing standards are applied.



Our data entry screens are specifically designed around each document type. Data entry staff can view only their specific work queues, with no access to other account information. As part of the PSI team, DIS data entry workers must pass a background check and sign a confidentiality agreement.

PSI date-stamps all paper applications and renewals and records the date of receipt on applications received electronically to document the date the application was filed. We agree that the date of receipt is the date by which application-processing standards are applied.

As described in RFP Requirement 3B.1.1, during the scanning process, a date and time stamp is sprayed on received documents and captured within the electronic file associated with the image.

3B.1.3: Tracking Applications

RFP Requirement: The proposal shall describe the process by which the TPA will track the receipt, status, and disposition of all applications received. This includes the process for data entering paper applications and renewals and the transfer of data from the electronic application, renewal or referral into the TPA's system.

At a minimum, the system shall have the ability to identify and track applications and renewals by the following elements:

- ♦ Date received;
- ♦ Name of applicant and each person in the family;
- ♦ A unique case or family number;
- ♦ A unique identifier for each individual;
- ♦ Date referred to Medicaid; and
- ♦ Date received back from Medicaid.

Additionally, the proposal shall describe the process by which information received initially or subsequently, either in paper, FAX, or electronic format is identified, tracked and retained. The proposal shall also describe the process by which duplicate and potentially duplicate applications will be identified and processed. This includes applications that have been referred to Medicaid as well as those that are being processed for hawk-i program eligibility. Refer to Section 3G System Requirements for additional requirements.

PSI tracks the receipt, status, and disposition of all applications received. In addition to data entering all paper applications and renewals, PSI transfers data from electronic applications, renewals, and referrals into our system. PSI's Vida platform identifies and tracks applications and renewals by the following elements: date received, name of applicant and each person in the family; a unique case or family number; a unique identifier for each individual; the date the applicant was referred to Medicaid; and the date the file was received from Medicaid.

Below, we describe the process by which information received initially or subsequently, via paper, fax, or the hawk-i Web site, is identified, tracked, and retained. We also outline how we identify duplicate and potentially duplicate applications, including applications that have been referred to Medicaid as well as those that are being processed for hawk-i program eligibility.

Receipt, Status, and Disposition of Applications Received

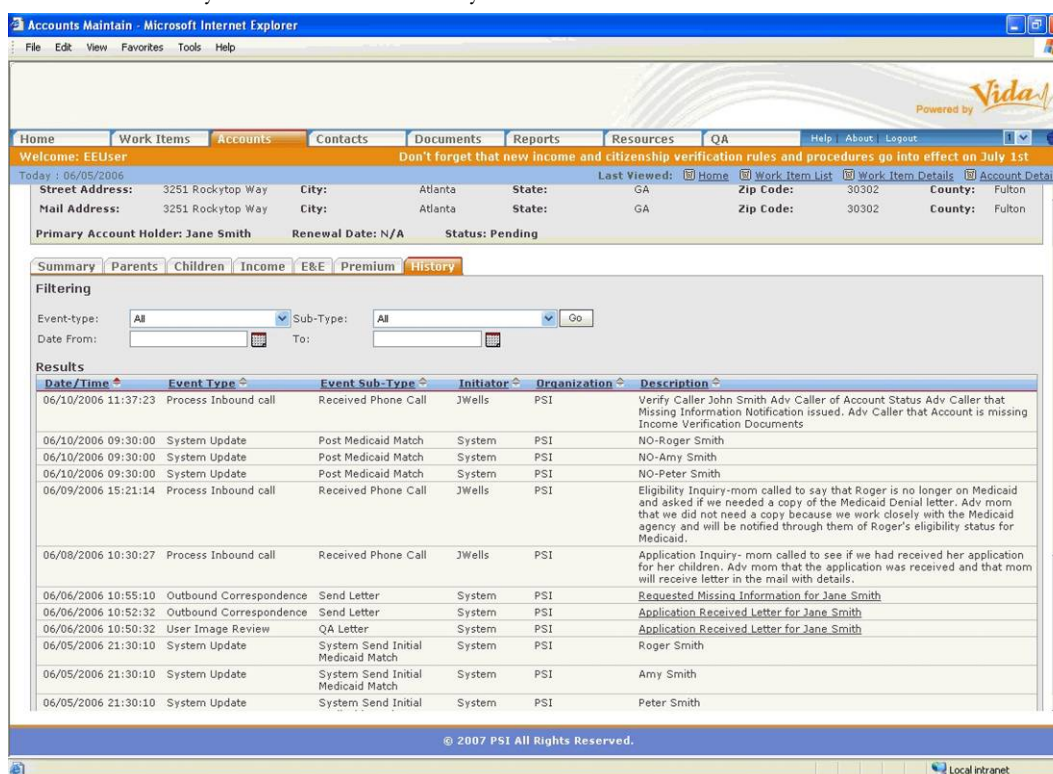
The accuracy of the following member information is efficiently managed by PSI's Vida platform:

- ♦ Date received
- ♦ Name of applicant

- ♦ Name of each person in the family
- ♦ Member ID
- ♦ Date application referred to Medicaid
- ♦ Date file was received from Medicaid

In addition to those fields required by the RFP, we also maintain other fields.

When any action is taken in the account, from application to eligibility determination, the Vida platform automatically records that event in the event history for the account. For example, when a document is received and scanned into the system, our indexing process ties the document to the account and the event is recorded in the account history. Once the document is associated with the account, and the members associated with the document, it is automatically referred to Medicaid. Again, the details of the referral to Medicaid are automatically recorded in the history information.



The screenshot shows the 'Accounts Maintain' interface in Microsoft Internet Explorer. The 'Accounts' tab is selected, displaying account details for Jane Smith. Below the account details, the 'History' tab is active, showing a table of activity events. The table includes columns for Date/Time, Event Type, Event Sub-Type, Initiator, Organization, and Description. The events listed include inbound calls, system updates, and correspondence, all recorded by the system (PSI).

Date/Time	Event Type	Event Sub-Type	Initiator	Organization	Description
06/10/2006 11:37:23	Process Inbound call	Received Phone Call	JWells	PSI	Verify Caller John Smith Adv Caller of Account Status Adv Caller that Missing Information Notification issued. Adv Caller that Account is missing Income Verification Documents
06/10/2006 09:30:00	System Update	Post Medicaid Match	System	PSI	NO-Roger Smith
06/10/2006 09:30:00	System Update	Post Medicaid Match	System	PSI	NO-Amy Smith
06/10/2006 09:30:00	System Update	Post Medicaid Match	System	PSI	NO-Peter Smith
06/09/2006 15:21:14	Process Inbound call	Received Phone Call	JWells	PSI	Eligibility Inquiry-mom called to say that Roger is no longer on Medicaid and asked if we needed a copy of the Medicaid Denial letter. Adv mom that we did not need a copy because we work closely with the Medicaid agency and will be notified through them of Roger's eligibility status for Medicaid.
06/08/2006 10:30:27	Process Inbound call	Received Phone Call	JWells	PSI	Application Inquiry- mom called to see if we had received her application for her children. Adv mom that the application was received and that mom will receive letter in the mail with details.
06/06/2006 10:55:10	Outbound Correspondence	Send Letter	System	PSI	Requested Missing Information for Jane Smith
06/06/2006 10:52:32	Outbound Correspondence	Send Letter	System	PSI	Application Received Letter for Jane Smith
06/06/2006 10:50:32	User Image Review	QA Letter	System	PSI	Application Received Letter for Jane Smith
06/05/2006 21:30:10	System Update	System Send Initial Medicaid Match	System	PSI	Roger Smith
06/05/2006 21:30:10	System Update	System Send Initial Medicaid Match	System	PSI	Amy Smith
06/05/2006 21:30:10	System Update	System Send Initial Medicaid Match	System	PSI	Peter Smith

Exhibit 3B-1: Screen Shot Showing the Activity History for the Account. This screen reflects the key changes to the account that are a result of user activity. These activity entries are created automatically by the system in response to updates to the account and account details. The user may not modify these history entries.

Data Entry for Paper Applications

As described in our response to RFP Requirement 3B.1.1, authorized data entry operators from DIS log into data entry work queues and enter applications and standard verification documents directly into the Vida platform. In addition to applications and renewals, DIS performs data entry on those supporting documents that are in a standard format such as W-2s. DIS will be limited to only the data entry work queues within Vida. They will not have access to any other part of the Vida platform. The platform's role-based security allows us to provide this additional security feature.



DIS uses work queues to process documents through complete and separate data entry steps by two separate data entry operators. This process is also known as key-verified data entry. If upon the second keying of the same document, a field is identified by the system as not matching that entered by the first data entry operator, the system flags the error so that it can be keyed by a third data entry operator. The screen highlights the field and the differences in the data entry for resolution by a skilled DIS verifier. This ensures a high degree of accuracy, utilizing a review and re-key process with disparities identified. PSI's emphasis on data quality upfront is important, as it improves the overall quality of the processing and speeds up outcomes.

Data Transfer from IABC

PSI will implement an electronic interface with IABC that will allow files to be sent to us via a batch process. We will work with the Department to develop an interface that allows for timely transmission of applications from the IABC System and allows the population of the application in the Vida platform.

Identifying Duplicate Applications

We have several methods and processes for handling duplicate subsequent applications and other edit type functions to maintain the integrity of the platform database and account records. These include:

- ♦ Key-verified data entry of all applications that prevents the creation of a duplicate account as a result of data entry typographical errors.
- ♦ Data entry rules for abbreviations such as “street” vs. “ST” or “Avenue” vs. “Ave.”
- ♦ Advanced multi-point data comparison logic built into the Vida platform to ensure that if an account or an individual already exists in the database, we do not create another account.
- ♦ Business rules defining which data elements and what level of match represents a possible match in the database that requires resolution.
- ♦ Work queue for applications that appear to match an account already in the database.
- ♦ Skilled eligibility specialists who resolve matches that are more complex.

After data entry of an application, the Vida platform compares the entered information to existing accounts and individuals in the database and determines the following:

- ♦ If there is no match:
 - A new account is automatically created by the Vida platform and the application continues through the eligibility determination process, provided that the application contains certain minimal data.
- ♦ If there is one and only one match (either complete or partial):
 - The account is updated, using information provided by the applicant based on defined rules. If there were additional documents that came with the application, the data from those documents, and the document images themselves, will also be entered and attached to the account record.
- ♦ If there is more than one possible match:
 - The Vida platform workflow automatically refers the application for research by an eligibility specialist to resolve. The Vida platform highlights the fields that do not match and need to be reconciled.

The Vida platform contains logic so that not every partial match has to be resolved by a skilled user.

3B.1.4: Application Assistance

RFP Requirement: The TPA shall have a process in place by which application assistance can be provided over the telephone. When a family needs assistance in completing an application, the TPA shall enter provided information into the system on behalf of the caller. A printed copy of the completed application form shall be sent to the applicant for verification of the information and signature no later than the next business day. The application shall be accompanied by a letter in the applicant's preferred language (English or Spanish) requesting any necessary verification with a postage-paid, business reply envelope.



Our CSRs can help callers in any language. We always have at least one Spanish-speaking CSR available, and we use Language Line to help callers in 170 other languages.

PSI staff provides application assistance over the telephone in order to deliver excellent service. When a family needs assistance in completing an application, PSI enters provided information into the system on behalf of the caller. We send a printed copy of the completed application form to the applicant for verification of the information and signature no later than the next business day. We also send an explanatory cover letter in the applicant's preferred language (English or Spanish) along with a postage-paid business reply envelope. If we have not received a signed application back from the applicant within 10 business days, we contact him or her via phone to find out whether they still intend to apply.

Skilled customer service representatives (CSRs) will be available every business day, excluding State holidays, between the hours of 8 a.m. and 7 p.m. Central time to assist families with the application process. When a call comes in, the CSR determines the language in which to best serve the customer. Please see Section 3A.5.2 for details on our free translation services for callers.

All documents received in the DCU area of our customer service center are imaged and date stamped so they are available in the system. Once we receive the signed application and remaining documentation in our center, the time stamp of the final documents received will signify the beginning of the 10-business day eligibility

determination timeline. The processing of the application is the same as that described above in our response to RFP Requirement 3.B.1.1.

3B.2: DETERMINING ELIGIBILITY

RFP Requirement: The TPA is responsible for correct and accurate eligibility determinations. Eligibility shall be determined in accordance with Chapter 514I of the Code of Iowa, Iowa Administrative Code Section 441, Chapter 86, and written policy clarifications provided by the Department.

PSI will be responsible for correct and accurate eligibility determinations. Eligibility is determined in accordance with Chapter 514I of the Code of Iowa, Iowa Administrative Code Section 441, Chapter 86, and written policy clarifications provided by the Department.

A key component of our proposed solution for eligibility determination is the Vida platform, which includes a rules engine to determine eligibility. The advantage of this solution is that it ensures that eligibility rules are applied consistently and it allows us to respond very quickly to policy changes. The initial rules for eligibility determination are established during the transition phase and are configured in the Vida platform and thoroughly tested. Should there be a change to the eligibility rules, we would implement a change control process and testing to make those changes in the system. Because of the Vida platform's sophisticated rules engine, these changes can be made readily and PSI can respond to changes in policy quickly.

The platform's automated eligibility criteria evaluation logic, including data calculations supporting SCHIP and Medicaid household income improves accuracy and efficiency in eligibility determination. PSI staff will



use the platform to determine eligibility for enrollment into the *hawk-i* program following policy and procedures as approved by the Department. The eligibility logic and evaluation criteria will be fully tested and test results shared with the State during implementation.

Once we determine that an application and all supporting documentation are complete and validated, the Vida platform can automatically determine eligibility. If additional information is needed to verify income, identity, and citizenship, a request for the missing information is automatically generated and sent to the applicant household within three business days, and the account is queued so that the verification process can be resumed when the missing information is received. Upon receipt of the missing information, we can complete determination of eligibility for the *hawk-i* program.

If a *hawk-i* applicant appears to be Medicaid eligible, we add the application to a specific work queue within the Vida platform so that a Department staff member can log into the work queue to make a final determination regarding Medicaid eligibility. Upon receipt of the Department's determination, which is reflected in the account record in the Vida platform, an appropriate letter to the applicant's family is generated with notification of eligibility and enrollment in a Health and Dental Plan.

The Vida platform also provides a complaint and dispute review vehicle for applicants found to be ineligible and denied *hawk-i* coverage.

The Vida platform continuously checks and detects whenever a member data element or condition changes due to customer service or eligibility specialist action or the passage of time, which could affect eligibility. At all points of communication, staff members can review the impacts on eligibility and make corrections if the impacts are not as expected. The user has the opportunity to review the change for accuracy and the platform automatically re-determines eligibility. Upon re-determination, the Vida platform initiates the appropriate referral activities. Since the platform automatically keeps every child's eligibility current, it ensures accurate enrollment processing runs and virtually eliminates the need for manual operator intervention during each eligibility determination. Based on the evaluation of changes, the platform generates a cancellation or a notice of premium increase or decrease if necessary. The Vida platform also allows determinations based on the rules engine to be overridden, if the State determines that action is appropriate. Such an override would require special approval and would have a complete audit trail within the account record.

Benefits of Eligibility Determination Through the Vida Platform	
The Vida platform calculates eligibility using a rules engine and built-in system logic	<ul style="list-style-type: none"> • Prevents erroneous eligibility determinations • Improves efficiency • Decreases need for decision making by the user, improving accuracy and consistency • Can easily adjust rules to adapt to program changes • Can easily audit rules
Automated eligibility determinations	<ul style="list-style-type: none"> • Improves accuracy and efficiency • Allows trained staff more time to focus on exception cases
Performs an eligibility screen based on initial information received with an application, even if unverified	<ul style="list-style-type: none"> • Eliminates requests for information not truly required to make an accurate eligibility determination, reducing frustration for applicants and mail costs • Reduces volume of non-essential correspondence and inbound documents



3B.2.1: Screening for Medicaid Eligibility

RFP Requirement: The TPA shall screen all applications and renewals for potential Medicaid eligibility within twenty-four (24) hours of receipt. The screening includes conducting a match of all applicants to the Medicaid eligibility file in order to identify any applicants who are currently covered under the state's Medicaid program and performing a cursory Medicaid eligibility determination based on the information provided on the application. The elements considered in the screening shall include, but may not be limited to:

- ♦ Household size
- ♦ Income
- ♦ Child care costs
- ♦ Child support paid

All applications and renewals that appear to be Medicaid eligible based on the information provided on the application shall be referred to the Department. The TPA shall make a copy of the application for the TPA's file and refer the original application or renewal to the Department. The TPA shall keep a daily log of applications sent to the Department and track the disposition of referred applications in accordance with the provisions of Section 3B.1.3 Tracking Applications. Refer to Section 3G.6 Medicaid Screening for additional system requirements.

PSI screens all applications and renewals for potential Medicaid eligibility within 24 hours of receipt. The screening includes conducting a match of all applicants to the Medicaid eligibility file in order to identify any applicants who are currently covered under the State's Medicaid program and performing a preliminary Medicaid eligibility determination based on the information provided on the application. The elements considered in the screening include household size, income, childcare costs, and child support paid. PSI is able to complete this screening within the 24 hour timeframe because data submitted with each application will be entered into the system within 24 hours and the screening process will happen shortly after that data entry has occurred.

PSI tracks all applications, both those that require referral to Medicaid and those that remain with PSI, through the Vida platform. All applications and renewals that appear to be Medicaid eligible based on the information provided on the application are referred to the Department. As described above, PSI scans the application, creating an electronic copy that is retained within the Vida platform. Department staff will have access to this electronic copy and can print it if necessary. This is a convenient and efficient method of providing the application information to the Department. If the Department would prefer the original copy to be referred to them, PSI is happy to comply. The work queue provides the Medicaid worker with a description of the task at hand. The Medicaid worker then calls up the image of the application and associated documentation through the Vida platform and processes the account accordingly. The Medicaid worker is responsible for entering the disposition of the account in the work queue request. Through this mechanism, PSI is able to provide tracking of the daily referrals to Medicaid and the status of these referrals. The daily log that we create exceeds the information requirements within the provisions of Section 3B.1.3 Tracking Applications.

As described in our response to RFP Requirement 3B.1.1, upon receipt of an application, processing is initiated, including the match process. Medicaid matches are made on a daily basis against Medicaid records to determine if the child is currently enrolled in Medicaid.

3B.2.2: Time Frame for Establishing Eligibility

RFP Requirement: An eligibility determination shall be made as soon as possible and within ten (10) business days from the date of receipt of the complete application or renewal or the date of receipt of all information necessary to establish eligibility.

When the hawk-i application or renewal is referred to the Department for a Medicaid eligibility determination and Medicaid eligibility is denied, the TPA shall determine hawk-i eligibility as soon as possible and no later than ten (10) business days from the date of the notice of the Medicaid denial.

Performance Measure: The Department may deduct from the monthly invoice an amount of two thousand dollars (\$2,000) per month for failing to process at least ninety-seven (97) percent of all applications and renewals in established timeframes. This is not recoverable.



PSI makes eligibility determinations as soon as possible and within 10 business days from the date of receipt of the complete application or renewal or the date of receipt of all information necessary to establish eligibility. We are confident we can meet the 10-business day turnaround because of the following:

- The Vida platform's rules engine is able to process the majority of determinations within the same day that data is entered.
- Our policy on data entry is that all applications, renewals, and critical data are entered into the Vida platform within one business day of receipt.
- Our eligibility staff does not have to spend a lot of time handling standard applications and can focus primarily on exception processing, e.g., when self-employed parents submit documentation requiring enrollment staff to determine the appropriate income.

When a *hawk-i* application or renewal is referred to the Department for a Medicaid eligibility determination and Medicaid eligibility is denied, PSI determines *hawk-i* eligibility as soon as possible and no later than 10 business days from the date of the notice of the Medicaid denial.

PSI understands that the Department may deduct from our monthly invoice an amount of \$2,000 per month for failing to process at least 97 percent of all applications and renewals in established timeframes, and that it is not recoverable.

3B.2.3: Requesting Additional Information

RFP Requirement: The TPA shall review the application or renewal for completeness and the presence of required verification. Additional information necessary to establish eligibility shall be requested in writing as soon as possible and within three (3) business days of receiving the application. The request shall be made in the applicant's preferred language (English or Spanish) as identified on the application form or renewal. Every attempt shall be made to identify all additional information so that all additional information known at the time of the request shall be requested in the same letter. For example, if an application is missing both a signature and proof of income, the letter requesting the additional information shall include both items. The letter should clearly state what information is needed (e.g. the applicant needs to send other pay stub listing the date of the pay stub needed, proof of unearned income, citizen status, etc.).

We capture an image of the application and documentation, and we also enter data from these items directly into the Vida platform. If there is a discrepancy, or information is missing, the system is programmed to catch it. This includes not only the required application information to determine eligibility, but also items such as language preference. A common problem in SCHIP programs is that applicants fail to sign their application. To manage that, our data entry vendor is required to enter a "yes or no" field to indicate whether a signature is on the application. The Vida platform easily identifies missing data and thereby includes the appropriate text in a letter telling the applicant of all items that are missing, such as signature, proof of unearned income, or citizenship status.

As described in our response to RFP Requirement 3B.2, the Vida platform's eligibility logic automatically determines what required information is missing. It then generates the letter requesting the additional information without eligibility specialist intervention. The letter will be in either English or Spanish, based on the stated preference on the application. This process speeds eligibility determination, which in turn provides better service to program applicants.

The Vida platform identifies a list of accounts that require additional information. The predictive dialer we use is programmed to dial the phone number for each of these accounts. If the recipient answers the phone call, it is automatically transferred to a CSR. At the same time, a "screen pop" displays the correct account screen on the CSR's monitor, so he or she has all of the needed information for the call. If no one answers, a record is automatically placed within the Vida platform under the account's history, indicating that the call



was attempted. This takes place without the intervention of the CSR. If the family was not reached on the initial call, the dialer will call again at another day and time. If the second attempt to reach the family fails, the Vida platform will leave a recorded message to request the items needed to complete eligibility determination.

The Vida platform can also provide “hot notes” within the account, so if an applicant happens to call into the center to check on the status of their account, the CSR will easily be alerted that additional information is needed for their application. This provides an additional mechanism to ensure that we are providing the highest possible level of service and making determinations in a timely fashion.

3B.2.4: Daily Insurance Data Match

RFP Requirement: The TPA shall send a file of all hawk-i applicants to the Department or the Department's designee on a daily basis. The data and format of the file shall be agreed upon by both parties. The Department or the designee shall perform a data match with other insurance carriers to determine if the applicant is covered under another health insurance plan. The Department or designee will return the file within two (2) working days with the results of the match. If a match is present, the TPA shall send a notice to the hawk-i applicant asking for the status of the identified health insurance coverage (policy has lapsed, been cancelled, ending, still active, etc.).

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The Vida platform can interface directly with any approved match source, so we always have the most current information. The Department can be confident that the children covered by hawk-i are truly eligible.

PSI will send a file of all *hawk-i* applicants to the Department or the Department's designee daily, with the data and file format agreed upon by both parties. The Department or the designee will perform a data match with other insurance carriers to determine if the applicant is covered under another health insurance plan. The Department or designee will return the file to PSI with the results of the match within two working days. If a match is present, the Vida platform will send a notice to the *hawk-i* applicant asking for the status of the identified health insurance coverage (policy has lapsed, been canceled, is ending, is still active, etc.). We will print a barcode on the notice, so that when we receive the reply, the Vida platform can automatically associate it with the correct account and queue it for a specialist to review and update account data.

If the health insurance status reported by a member in response to a notice sent by PSI indicates coverage, the Vida platform automatically reevaluates *hawk-i* eligibility, disenrolls applicants covered by other insurance, and sends the appropriate correspondence to the household.

The Vida platform also acts as a tickler file, automatically queuing work items for review by an eligibility specialist when a response is not received within a reasonable timeframe for items such as missing information. This lets us promptly follow up on all pending matters through calls and the re-sending of correspondence.

3B.2.5: Documenting the Eligibility Decision

RFP Requirement: The TPA shall fully document the basis of the eligibility decision. Documentation may be retained in either electronic or paper format and shall be readable and easily retrievable. If retained electronically, documents shall be easily reproducible in a paper format when requested.

Documentation must be sufficiently detailed to allow supervisors, quality control reviewers, auditors, state staff or others to easily follow and recreate the basis for the eligibility decision. Documentation shall include, but not be limited to, the application, correspondence, notices of decision, specific income documents used in the eligibility decision, documentation of alien status, proof of insurance cancellation, if applicable, verification of citizenship and identity if required, etc. If necessary, documentation shall include the rationale for accepting one type of verification in lieu of another. For example, if current business records more accurately reflect self-employment income than the previous year's tax records, the file shall be documented to include the justification for using the business records. Documents that are not germane to the eligibility decision (e.g. extra pay stubs, etc.) do not have to be retained.

Original documents submitted as verification shall be copied or scanned and the copies retained in the paper case record or electronic file. Original documents shall be returned to the applicant. Refer to Section 3F G Mailroom and Postage for additional information.



All phone calls shall be documented in the case file. The calls should identify the date of the call, who called, the purpose of the call and the response given to them. Abbreviations that have been approved by the TPA and the Department are to be used in the documentation.

Documentation

PSI fully documents the basis of the eligibility decision; retaining documentation in electronic format in our Vida platform, where it is readable, easily retrievable, and quickly reproducible in a paper format when needed. Since a significant part of our eligibility process is determined through the system logic and rules, we will have these rules well-documented, tested, and verified with Department staff.

Our eligibility documentation is sufficiently detailed to allow supervisors, quality control reviewers, auditors, State staff, and others to easily follow and recreate the basis for the eligibility decision. PSI's documentation includes scanned images of the application, correspondence, notices of decision, specific income documents used in the eligibility decision, documentation of alien status, proof of insurance cancellation, if applicable, and verification of citizenship and identity if required. Our documentation record also includes the rationale for accepting one type of verification in lieu of another. For example, if current business records more accurately reflect self-employment income than the previous year's tax records, we document the file to include the justification for using the business records. Documents that are not germane to the eligibility decision are not retained.

Vida tracks an application and account through its entire lifecycle – from receipt to processing to eligibility determination. We track all account activities and maintain a history for each account. Vida is a true Customer Relationship Management (CRM) system. This allows for easy and complete tracking of the eligibility determination and what the determination was based on.

The following screen shot shows details regarding the eligibility determination in the Vida system. A person reviewing this information can also easily go to the source documents from the applicant that were used to create the determination.



Accounts Maintain - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Powered by Vida

Home Work Items Accounts Contacts Documents Reports Resources QA Help About Logout

Welcome: EEUser Don't forget that new income and citizenship verification is required for new accounts.

Today : 06/05/2006 Last Viewed: Home Work Item List Work Item Details Account Details

Account

Account ID: 0616000002 Acct Password: Sandy Beach Home Phone: (404)222-8484

Parent 1 Name: Jane Smith Parent 1 DOB: 01/01/1970 Parent 2 Name: John Smith Parent 2 DOB: 02/02/1966

Street Address: 3251 Rockytop Way City: Atlanta State: GA Zip Code: 30302 County: Fulton

Mail Address: 3251 Rockytop Way City: Atlanta State: GA Zip Code: 30302 County: Fulton

Primary Account Holder: Jane Smith Renewal Date: N/A Status: Pending

Summary Parents Children Income **E&E** Premium History

Total Monthly Premium:

Name	Program	Verified?	Eligibility	Reason	Enrolled?	Monthly Premium	Eligible Start	Eligible Thru
Roger Smith	CHIP	No	Pending	Missing Income	No			
Amy Smith	CHIP	No	Pending	Missing Income	No			
Peter Smith	Special Needs	No	Pending	Missing Income	No			

3 records , 1 of 1 page(s)

Eligibility Referrals Eligibility Determination Details Eligibility History Enrollment History

Child: Roger Smith

Medicaid Match Status: N/A Date: 06/05/2006 09:30:10 PM

Special Needs Referral Status: N/A Date: N/A

State Employee Match Status: N/A Date: 06/05/2006 10:30:10 PM

Referral Status: N/A Date: N/A

Match Override Begin: Thru:

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Local intranet

Exhibit 3B-2: Screen Shot Showing the Eligibility Determination History for the Account.

Original Documents

We scan original documents, link the images to the case file, and return the originals to the applicant within two business days, as described in Section 3F.2. Photocopies of documents sent to us are destroyed in a secure manner. Throughout the application process and during the servicing of accounts for the *hawk-i* program, imaged documents are retained and attached to members' records. Each account record contains a list of documents that have been received from applicants and members. The list indicates the date the document was received and scanned, the type of document, and a description of the document. Users can filter this list by date or type of document, and a description of the document. They can also access the electronic document image by simply clicking on the hyperlink.

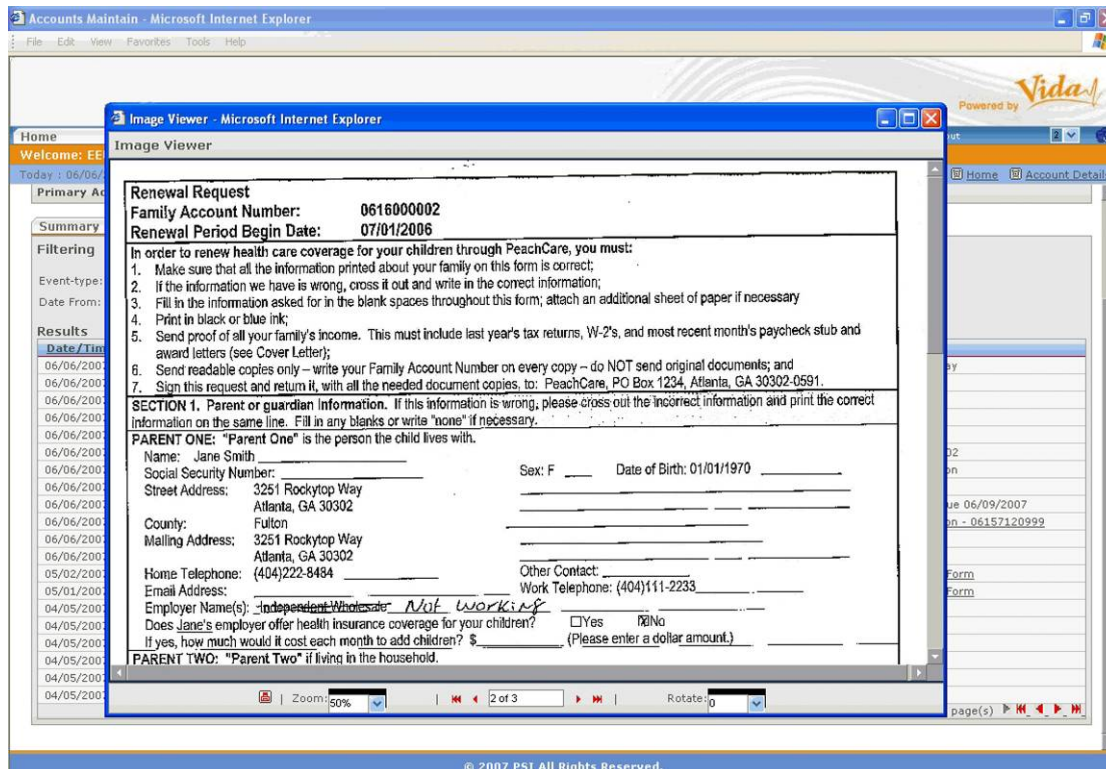
The Vida application's content repository maintains images of all inbound and outbound documents. In addition, the Vida application records specific "metadata"—information about these images, including but not limited to account identifier and document type, etc.—and maintains the metadata in a consistent fashion. This ensures that logical relationships between documents are properly documented, which means that information is well organized and easy for the

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The design of our Vida application eliminates the need for and cost of any licenses. Authorized users can use any standard Web browser on any computer to access the account data and documentation images in the Vida platform without need for special software.

Department to access. Associations between documents and the *hawk-i* account are maintained by the Vida platform, as well as associations between documents and other documents received by PSI in the same physical mailing envelope, if received via mail.

Document indexing information is part of the Vida platform. Indexing information, such as account ID, document type and date received, is displayed in context within the account. For example, the user can review summary information about an account and then “drill down” to a specific document that relates to the account, in this case, an image. The image viewer displays the image itself along with associated indexing information. The following screen shot shows how a document image would be displayed.



The screenshot displays a web browser window titled "Accounts Maintain - Microsoft Internet Explorer" with a "Vida" logo in the top right corner. A secondary window titled "Image Viewer - Microsoft Internet Explorer" is open, showing a document titled "Renewal Request". The document contains the following information:

Renewal Request
Family Account Number: 0616000002
Renewal Period Begin Date: 07/01/2006

In order to renew health care coverage for your children through PeachCare, you must:

1. Make sure that all the information printed about your family on this form is correct;
2. If the information we have is wrong, cross it out and write in the correct information;
3. Fill in the information asked for in the blank spaces throughout this form; attach an additional sheet of paper if necessary
4. Print in black or blue ink;
5. Send proof of all your family's income. This must include last year's tax returns, W-2's, and most recent month's paycheck stub and award letters (see Cover Letter);
6. Send readable copies only -- write your Family Account Number on every copy -- do NOT send original documents; and
7. Sign this request and return it, with all the needed document copies, to: PeachCare, PO Box 1234, Atlanta, GA 30302-0591.

SECTION 1. Parent or guardian information. If this information is wrong, please cross out the incorrect information and print the correct information on the same line. Fill in any blanks or write "none" if necessary.

PARENT ONE: "Parent One" is the person the child lives with.

Name: Jane Smith
Social Security Number: _____ Sex: F Date of Birth: 01/01/1970
Street Address: 3251 Rockytop Way
Atlanta, GA 30302
County: Fulton
Mailing Address: 3251 Rockytop Way
Atlanta, GA 30302
Home Telephone: (404)222-8484 Other Contact: _____
Email Address: _____ Work Telephone: (404)111-2233
Employer Name(s): Independent Wholesale NOT WORKING
Does Jane's employer offer health insurance coverage for your children? ☐ Yes ☒ No
If yes, how much would it cost each month to add children? \$ _____ (Please enter a dollar amount.)

PARENT TWO: "Parent Two" if living in the household.

The form is displayed in a viewer with a zoom level of 50% and a page indicator showing "2 of 3". The bottom of the screen shows the copyright notice "© 2007 PSI All Rights Reserved."



Phone Calls

All phone calls are fully documented in the Vida platform's case file. The platform automatically records the date of the call and the staff member who assisted the caller. The staff member verifies the caller's identity and logs the purpose of the call and the response given. Abbreviations that have been approved by PSI and the Department are used in the documentation. The following Vida screen shows the type of information available about phone calls.

The screenshot displays the Vida platform interface within a Microsoft Internet Explorer browser window. The interface includes a navigation bar with tabs for Home, Work Items, Accounts, Contacts, Documents, Reports, Resources, and QA. A welcome message for user 'EEUser' is shown at the top. Below this, account details for 'Jane Smith' are listed, including address, city, state, zip code, and county. The 'Summary' tab is selected, showing a table of children's eligibility information. A 'Phone Calls' section is highlighted with three arrows pointing to specific call records. The 'Last Correspondence' section shows a table of recent communications. The 'Financial Summary' section displays the total monthly income and premium amount. The 'Premium Payment Schedule' table shows the due dates for premium payments. The 'Family Account Balance' section shows the current balance and recent transactions.

Name	Age	DOB	Program	Eligibility	Reason	Premium	Medical HMO	Dental HMO	Last Eligible	Next Eligible	Eligible Thru
Roger Smith	4	01/12/2003	CHIP	Yes	N/A	\$15.00	MyHealthPlan1	MyDentalPlan1	06/01/2007	07/01/2007	06/31/2008
Amy Smith	8	02/05/1999	CHIP	Yes	N/A	\$15.00	MyHealthPlan1	MyDentalPlan1	06/01/2007	07/01/2007	06/31/2008
Peter Smith	10	03/22/1997	Special Needs	Yes	N/A	\$15.00	MyHealthPlan1	MyDentalPlan1	06/01/2007	07/01/2007	06/31/2008

Date/Time	Initiator	Description
06/15/2006 11:10:12	JWells	Verify Caller John Smith Adv Ca...
06/10/2006 11:37:23	JWells	Verify Caller John Smith Adv Ca...
06/09/2006 15:21:14	JWells	Eligibility Inquiry-mom called ...

Date/Time	Type	Description
06/12/2006 09:45:05	Inbound Correspondence	New Application - 06157210014
05/02/2007 11:30:05	Outbound Correspondence	Renewal Request Form

Coverage Month	Premium Amount	Due Date
08/2007	\$15.00	07/01/2007
09/2007	\$15.00	08/01/2007
10/2007	\$15.00	09/01/2007
11/2007	\$15.00	10/01/2007
12/2007	\$15.00	11/01/2007
01/2008	\$15.00	12/01/2007

Post Date	Description	Amount
06/01/2007	Lockbox Pymt	\$15.00

Arrows from the text below point to the following elements in the screenshot:

- Date and time of the call shown (points to the 'Date/Time' column in the Phone Calls table)
- CSR handling the call (points to the 'Initiator' column in the Phone Calls table)
- Summary nature of the call (points to the 'Description' column in the Phone Calls table)

The Vida platform logs, tracks, and refers all contacts with applicants, enrollees, and any others who contact the program, such as health plan representatives, providers, or anyone seeking *hawk-i* program information. This includes types of calls received and number of calls transferred or referred to the Health or Dental Plan. The call resolution is also recorded. PSI's platform is built to track all contacts by type, including inbound telephone calls routed using the ACD, outbound telephone calls via the predictive dialer, mailed correspondence, fax, and Web-based contacts. Any PSI or Department staff member who pulls up an account can readily access a full history of contacts, related documents, and notes.

Staff records the type of contact and select an event type from a drop-down menu to identify the reason for the contact. Eligibility specialists are able to record more than one reason for the contact when the contact covers multiple purposes. When staff takes any action in the system related to an account, the system's CRM system automatically records that event in the history for the account. If the contact results in the need for follow-up, the system routes the account information to an appropriate work queue. All contact interactions



are accessible to all staff within the Vida platform. If someone wants to register a complaint or problem, staff records the item in the system and it is routed to the appropriate work queue for follow up.

We train all staff on the importance and process of recording all pertinent information related to each interaction into the system. The system has extensive notes capability, and all users have quick access to notes associated with each account. This includes alerts that notify an eligibility specialist immediately upon the opening of an account if special precautions or action are needed with that account. Department staff will have the ability to make notes in account records as well.

3B.2.6: Notices of Decision and Correspondence

RFP Requirement: The TPA shall provide timely and adequate approval, denial and cancellation notices explaining the action being taken in regard to an application or an existing enrollment. Timely and adequate notice means mailing the notice within one day of approving, denying or canceling the case. Cancellation letters must be sent at least ten (10) days prior to the cancellation date. The Department shall approve, in writing, all form letters, notices of decision, forms or other correspondence that is sent to applicants and Enrollees. All notices and correspondence shall be written at a sixth-to-eighth grade literacy level. At a minimum, all notices and correspondence shall be available in plain English and Spanish. Correspondence in the appropriate language shall be sent based on the language preference indicated by the family. Refer to Section 3G.1(i) for additional system requirements pertaining to notices.

PSI provides timely and adequate approval, denial, and cancellation notices explaining the action taken in regard to an application or an existing enrollment. Timely and adequate notice means mailing the notice within one day of approving, denying, or canceling the case. We send cancellation letters at least 10 days prior to the cancellation date. PSI will obtain the Department's written approval for all form letters, notices of decision, forms, and other correspondence that we send to applicants and enrollees. All notices and correspondence are written at a sixth-to-eighth grade literacy level. At a minimum, all notices and correspondence are available in English and Spanish. Correspondence in the appropriate language is sent based on the language preference indicated by the family.

PSI produces and mails all member correspondence described within all required timeframes. Over the years, we have developed an efficient process for creating and mailing SCHIP correspondence. The Vida platform includes a robust document-generation engine and processes for automating correspondence production and mailing. We have demonstrated great flexibility in developing member correspondence, including notifications of changes in policies. The Vida platform and its *hawk-i* application provides a rapid response to policy or rules changes enabling authorized PSI staff to modify correspondence quickly, efficiently, and seamlessly.

PSI has an efficient and automated mailing process that ensures that the correct mailings are sent to all members at the correct point in time and that all correspondence is logged and tracked from beginning to end.

Using the Vida platform, PSI's program staff is able to automatically:

- ♦ Log the date and type of correspondence sent to members in each member case record
- ♦ Report on all correspondence sent to members: number of letters by type sent to members by time-period
- ♦ View images of all correspondence sent to member within the member's case record
- ♦ Audit outbound mail activities to ensure that correct letter is sent to appropriate family at correct time
- ♦ Generate notifications regarding eligibility, premium information, etc.
- ♦ Generate notifications based on changes within a case
- ♦ Generate outbound mail files for printing



- ♦ Store templates to be used during system generation of notifications
- ♦ Regenerate correspondence in English and Spanish

PSI's Vida platform ensures that required correspondence is sent to members and applicants, as required by Department policy and/or statute. Because the Vida platform maintains up-to-date, accurate, and detailed member information in order for required correspondence to be generated and sent automatically by the system on a daily basis to our fulfillment vendor for processing. For example, when all required information is provided by the member on the application, most eligibility determinations are performed automatically. (Note: in complicated situations, such as self-employed applicants where income determination is often challenging, the account is routed to an eligibility specialist who will make the determination and document the method and sources used to determine income.) When the system captures reasons for determinations of ineligibility based on system rules, applicants are automatically notified by mail of their ineligible status and the reasons why. Similarly, our system automatically tracks when renewals are due and sends out renewal notices 60 days before the applicant's renewal date. Our Vida platform allows the Department to have better control over the content of correspondence, allowing definition and easy updating of correspondence templates.



All of PSI's materials clearly communicate program benefits and procedures. We will be glad to provide the Department with samples for their review.

Throughout daily user or system interactions, the system monitors triggers that result in notifications being generated for printing and mailing. The following events represent a sample of triggers for sending a document to members or applicants:

- ♦ Receipt of application
- ♦ Request for additional information
- ♦ Eligibility determination decisions (response includes reason for ineligibility)
- ♦ Incomplete application (including missing income, citizenship, and identify verification)
- ♦ Request for premium payment coupons
- ♦ Premium changes
- ♦ Cancellation of coverage
- ♦ Late payment of premiums
- ♦ Approaching renewal date
- ♦ Returned mail
- ♦ Suspension for non-payment, precluded from re-enrollment during closed enrollment (notification includes a review of members' rights)

Users also have the ability to generate on-demand notifications.

Our system maintains history log entries for member and case events, including the sending of member correspondence, in order to allow measurement of elapsed time and objective evaluation of performance with respect to Department requirements for correspondence timeframes. When accessing case history, users can see which notifications were sent to the member and retrieve the images if necessary. All stages of the notification process are monitored and time/date stamped to allow measurement of elapsed time and objective evaluation of performance with respect to Department requirements and correspondence timeframes.



PSI has extensive experience with developing materials at the requested reading level and translation in a variety of languages, as we have designed effective written materials for most of our 72 health and human services programs. All written materials will be designed at the sixth-to-eighth-grade reading level, as detailed below. We use a professional copywriter with the skills and experience to review documents on a regular basis and make any changes needed to bring them to a sixth-to-eighth-grade reading level. PSI will take specific steps to assure the appropriate reading level and readability of each piece:

- ♦ Review all new materials for reading level and readability using various available tools, including:
 - The Flesch-Kincaid readability test
 - The Fry formula to assess reading level
 - The Suitability Assessment of Materials (SAM) to address the overall suitability of materials including organization, layout, and design
 - The PMOSE/ IKIRSCH to measure document complexity, including forms, tables, graphs, charts, and lists
- ♦ Edit material to meet the reading level criteria
- ♦ Implement health literacy principles so that all materials will reflect the highest standards of plain language and readability
- ♦ Evaluate and make recommendations for final adjustments of all materials taking into consideration the reading level scores and readability evaluation

We will provide a certification of the reading level with all materials submitted to the Department for approval. If the sixth-to-eighth-grade reading level cannot be completely achieved due to the complexity of the subject, PSI will submit the document to the Department for approval, noting any words that are not at that reading level. We are prepared to conduct a focus group to test the readability of any material that cannot be certified at the requested reading level. We will recruit current *hawk-i* members to participate, recruiting 12 people for the group. We will hold the group in PSI's offices in Des Moines. A staff member will work with the group on how to change the language, if needed, and ensure that the content is understandable to anyone with a sixth-to-eighth grade reading level.

3B.2.7: Enrollment

RFP Requirement: The TPA shall provide information, approved by the Department, about participating Health and Dental Plans to families of children that have been determined eligible and, if necessary, assist the family in the selection of a Health and/or Dental Plan. If an Enrollee lives in a county where there is more than one participating Health Plan or Dental Plan and the Enrollee does not choose a Health Plan or Dental Plan, the TPA shall randomly assign the Enrollee to a Health and Dental Plan.

The TPA shall establish the effective date of coverage and electronically notify the selected Health and Dental Plan of the enrollment in the 834 HIPAA compliant format that has been mutually agreed upon by the Department and the Health and Dental Plans. The enrollment file shall include the language preference of the family, demographic information about the Enrollee, the effective date of coverage and a marker indicating that the Enrollee's poverty level is equal to or greater than one hundred fifty (150) percent of the FPL. The TPA shall have the capability to transmit and receive files electronically over a secured line in the system mode (example: VPN, FTP, bulletin board) that accommodates the Health and Dental Plans' software and system design. The Health and Dental Plan will send the TPA a 997 functional acknowledgment.

The TPA shall notify the Health and Dental Plans when the number of Enrollees who speak the same, non-English language, as identified by the "Language Preference" field on the hawk-i application, is equal to or greater than ten (10) percent of the total number of Enrollees in the Health and Dental Plan.

PSI's Vida platform includes all the functionality associated with establishing and tracking coverage of eligible children in SCHIP health plans and communicating coverage data with the Health and Dental Plan insurers and the Department. The Vida platform allows users to record changes and determines when those changes

are allowed or require approval. It exports data to HMOs monthly and supports a variety of processing cycles (regular, supplemental, or additional if requested).

PSI will provide Department-approved information about participating Health and Dental Plans to families of *hawk-i* eligible children and, if needed, assist the family in the selection of a Health and Dental Plan. If an enrollee lives in a county where there is more than one participating Health or Dental Plan and the enrollee does not choose a plan, PSI's Vida platform randomly assigns the enrollee to plan.

PSI agrees to establish the effective date of coverage and electronically notifies the selected health and dental plan of the enrollment in the 834 HIPAA compliant format that has been mutually agreed upon by the Department and the Health and Dental Plans. Our enrollment file includes the language preference of the family, demographic information about the enrollee, the effective date of coverage, and a marker indicating that the enrollee's income level is equal to or less than 150 percent of the FPL. PSI has the capability to transmit and receive files electronically over a secured line in the system mode that accommodates the Health and Dental Plan's software and system design. The Health and Dental Plan will send us a 997 functional acknowledgement.

PSI agrees to notify the Health and Dental Plans when the number of enrollees who speak the same, non-English language, as identified by the "Language Preference" field on the *hawk-i* application, is equal to or greater than 10 percent of the total number of enrollees in the Health and Dental Plan. The ad-hoc reporting capability proposed by PSI (described in Section 3I) enables PSI to do this quickly and effectively.

The Vida platform's ability to integrate with other systems allows for a seamless process for enrollment into the appropriate Health and Dental Plans. As previously described, through daily user or system interactions, the system monitors triggers that result in notifications being generated for printing and mailing.



3B.3: WELCOME CALLS

RFP Requirement: The TPA shall perform welcome calls to new Enrollees. The purpose of the welcome call is to ensure that the Enrollee has received their approval notice, answer any questions, remind the family that they will have to renew at the end of the enrollment period, etc. The TPA shall make two (2) telephone attempts on different days to reach the Enrollee (or family). The proposal shall outline the process for conducting welcome calls.

PSI will make welcome calls to new enrollees to ensure the enrollee has received the approval notice, answer any questions, and remind the family that they will have to renew at the end of the enrollment period. PSI will make two telephone attempts on different days to reach the enrollee or family. Following, we outline our process for conducting welcome calls.

The Vida platform identifies a list of accounts that require welcome calls. The predictive dialer is programmed to dial the phone number for each of these accounts. If the recipient answers the phone call, it is automatically transferred to a CSR. At the same time, there is a "screen pop" that provides the correct account screen to the CSR, so he or she has all of the needed information for the call. If no one answers, a record is automatically placed within the Vida platform under the account's history, indicating that the call was attempted. The dialer then moves on to the next person on the list. This takes place without intervention on the part of the CSR. If the family is not reached on the initial call, the dialer calls again at another day and time. If the second attempt to reach the family fails, the interactive voice recorder leaves a message.



When we contact new enrollees, we warmly welcome them to the *hawk-i* program. Our CSRs work from a script to ensure we provide all of the necessary information in plain language, such as requirements for change notifications. The CSRs answer any questions the enrollee may have, using our Frequently Ask Questions (FAQ) reference to provide accurate and consistent information. The Vida platform displays links to key reference tools, such as the FAQ, on CSRs' computer monitors, right next to the account information. This provides staff with quick and easy access to frequently used information. This method also ensures that all staff members always use the most current reference tools and avoids the problems with trying to keep paper manuals up to date. This same FAQ will also be available on the Web site for enrollees to view at their convenience.

3B.4: CASE MAINTENANCE

RFP Requirement: Once eligibility is established, the TPA is responsible for determining the ongoing eligibility of the Enrollee and for providing information and customer service to the Enrollee as appropriate.

PSI agrees to be responsible for determining the ongoing eligibility of the enrollee once eligibility is established and for providing information and customer service to the enrollee as appropriate.

As discussed above in Section 3B.2, the Vida platform continuously monitors eligibility based on changes in member data or the passage of time and takes any necessary referral actions. When a customer contacts the *hawk-i* program and provides updates to their account information that would change their eligibility status, the Vida platform automatically alerts the CSR to ensure the information is accurate. It also generates the appropriate correspondence to the member, notifying him or her of any changes in the enrollment status.

Our case maintenance approach seeks to ensure the continued accuracy of proper eligibility status. By keeping all cases current, we help the State make the best use of its SCHIP funds. The table below shows the various methods we use to monitor eligibility status.

Channel	Action	Frequency
Vida Platform	Recalculate eligibility as account information changes	Ongoing
Vida Platform	Match database against Medicaid enrollment file	Daily
PSI Staff	Verify information during member calls	Periodic
Vida Platform	Perform eligibility reviews for renewals	Annually
PSI Staff	Perform Case Reviews	Monthly
Department	Conduct 60 PERM sample reviews	Monthly
PSI Staff	Conduct 15 PERM sample reviews	Monthly
Vida Platform	Send file to Department to match against private insurance files	Quarterly

3B.5: DAILY MEDICAID MATCH

RFP Requirement: The TPA shall perform a match between the hawk-i enrollment file and the Medicaid enrollment file on a daily basis to identify Enrollees who have attained Medicaid eligibility. If a match is found, the Enrollee shall be disenrolled from the program in accordance with the rules of the Department. The Department shall provide the TPA with the Medicaid enrollment file.

PSI agrees to perform a daily match between the *hawk-i* enrollment file and the Medicaid enrollment file to identify enrollees who have attained Medicaid eligibility. If a match is found, the enrollee is disenrolled from the program in accordance with the rules of the Department. We understand that the Department will provide us with the Medicaid enrollment file. PSI will follow the normal disenrollment practice when enrollees have attained Medicaid eligibility.



3B.6: QUARTERLY INSURANCE DATA MATCH

RFP Requirement: The TPA shall send a quarterly enrollment file to the Department or the Department's designee to determine if the hawk-i Enrollee has other health insurance. The data and format of the file shall be agreed upon by both parties. The Department or designee will return the file indicating the results of the match. If a match is found, the hawk-i Enrollee shall be disenrolled from the program, according to the rules of the Department.

PSI will send a quarterly enrollment file to the Department or the Department's designee to determine if the hawk-i enrollee has other health insurance. The data and format of the file will be agreed upon by both parties. PSI understands that the Department or designee will return the file indicating the results of the match. If a match is found, we will disenroll the hawk-i member from the program, according to the rules of the Department.

Data matches help identify those who don't qualify for program coverage. PSI continues to look for new database sources to help the Department spend hawk-i funds on those who truly need public assistance.

As described in our response to Requirement 3B.1.1, upon receipt of an application, processing is initiated, including the match process. We perform these matches:

- Newly applying children and active members matched against active Medicaid members
- Match of applicant families to private health insurance information

Data matching is an essential part of the application process. PSI wants to ensure we are using the best, most reliable, current, and secure sources for verification of health insurance status from qualified vendors who can provide the information in a secure and HIPAA-compliant manner.

3B.7: ACTING ON CHANGES

RFP Requirement: Once eligibility is established, the TPA shall be responsible for acting on changes reported by the family or on other information that is known to the TPA that may affect the Enrollee's eligibility or benefits in accordance with the rules of the Department. Reported address changes shall be acted upon within one (1) business day of the reported change. All other changes shall be acted on as soon as possible and within five (5) business days of the report of the change or the date verification of the change is received. Such changes may include, but are not limited to:

- A new child enters the home
- A decrease in family income that affects the premium obligation
- The Enrollee becomes insured

The TPA shall obtain any additional information or verification, as appropriate, before acting on the change and shall notify the family of the impact of the change according to the rules of the Department. All changes shall be thoroughly documented in the paper or electronic file. Additionally, the TPA shall confirm the Enrollee's address and phone number any time the family calls the customer service center to keep the address on the eligibility file up-to-date.

Once eligibility is established, PSI will act on changes reported by the family or on other information that is known to us that may affect the enrollee's eligibility or benefits in accordance with the rules of the Department. We will act on reported address changes within one business day. For all other reported changes—such as a new child entering the home, a decrease in family income affecting the premium obligation, or the enrollee becoming insured—we will act as soon as possible within five business days of the change or the date of verification of the change is received.

PSI requests and obtains additional information or verification, as appropriate, before acting on any changes. Upon receipt of the additional information, the Vida platform reevaluates the eligibility status and generates a notification letter to the family regarding the impact of the change according to the rules of the Department. All changes are thoroughly documented in the account in the Vida platform. PSI confirms the enrollee's address and phone number any time the family calls the customer service center to keep the address on the eligibility file current.



3B.8: ANNUAL RENEWALS OF ELIGIBILITY

RFP Requirement: The TPA shall perform eligibility reviews on every case at least every twelve (12) months as follows. Month one (1) shall be the first month in which health care coverage is provided.

- A. One (1) week prior to the date on which the renewal form is scheduled to be mailed, the TPA shall mail a postcard to the family reminding them to watch the mail for their renewal application form.*
- B. Sixty (60) days prior to the end of the twelve (12)-month enrollment period, an automated renewal notification and an application form preprinted with information contained in the TPA's data system about the household (i.e. name, address, members, etc.) shall be sent to the family.*
- C. If the renewal application form has not been received within fifteen (15) days from the date the renewal notification was sent (45 days prior to the end of the twelve (12)-month enrollment period), a reminder notice shall be sent to the family.*
- D. If the renewal application form has not been received within thirty (30) days from the end of the twelve (12)-month enrollment period, at least two (2) attempts shall be made by telephone to remind the family of the renewal.*
- E. If the renewal application has not been received within ten (10) calendar days from the end of the twelve (12)-month period, a cancellation notice shall be sent to the family.*
- F. If the renewal application form has not been received by the last day of the last month of the twelve (12)-month enrollment periods, the Enrollee shall be disenrolled.*
- G. The time frames for requesting additional information and are the same as processing an initial application.*

PSI will perform eligibility reviews on every case at least every 12 months. Month one will be the first month in which health care coverage is provided. We can complete all annual renewal processing for all *hawk-i* eligibles and we will select, request, and process annual renewals as well as provide a report to the Department on the process. As with the initial application process, renewals can be done via paper or online at www.hawk-i-org.

Below, we outline the steps for renewal processing:

1. Each month, the Vida platform automatically determines which accounts are ready for renewal based on coverage dates and last renewal dates.
2. The platform generates and sends a postcard through our fulfillment vendor to the family one week prior to the date on which the renewal form is scheduled to be mailed, reminding them to watch the mail for their renewal application form.
3. The Vida platform then generates a renewal request letter, member application pre-printed with information, and income verification forms to all families with eligible children who are 60 days before their renewal date. The notice informs the family that they must submit updated income verification documentation to complete the renewal process. A letter detailing the required documentation is also sent with the renewal notice.
4. Parents have the option to either mail or fax their requested documents. Once PSI receives the requested renewal income verification documents, we link the documents to the family's account in the Vida platform. The system registers the fact that the documentation has been received so that further information is not requested from the parents.
5. If all of the appropriate documentation is present, then the rules engine within the Vida platform processes the renewal and makes a determination.
6. If documents are not received within 15 days of the renewal notification's mailing date (within 45 days of the end of the enrollment period), the Vida platform sends a reminder notice to the family.
7. If we have not received the renewal by 30 days from the end of the enrollment period, we call the member at least twice to remind them.
8. If we do not receive the renewal documents 10 calendar days prior to the end of the 12-month enrollment period, we send the family a cancellation notice.
9. If the renewal documents have not been received by the last day of the month during the 12-month enrollment period, we disenroll the member.



PSI understands that the Department will, at its expense, furnish all envelopes, postcards, applications, and letterhead that we will need to correspond with applicants and members. As we need additional supplies, we will request them from the Department's Forms Manager.

PSI processes renewal documents and determines eligibility in essentially the same manner and timeframes we use for initial applications. If a change in income or household composition is reported, indicating that the applicant is potentially Medicaid eligible, the child or children in the renewing family are referred to Medicaid automatically through the Vida platform. The Vida platform stores all information regarding renewal status, notifications sent, and receipt of correspondence from the family regarding the renewal process.

3B.9: ELIGIBILITY REVIEW ACCURACY

Accuracy of member information starts with strong up-front processes for introducing this information into systems used by the Department for managing *hawk-i* member participation.

Our Vida platform validates data at the point of entry, to ensure that obvious errors are avoided before data enters the system. The platform's business rules provide an additional layer of quality validation to ensure that member information is logically consistent and appropriately organized.

A second layer of data quality is our use of key-verified data entry. While this adds an extra layer of cost up front, our experience has shown that this method ensures far more accurate data. The downstream affect of accurate versus inaccurate data is compelling. Our emphasis on upfront processes provides an exponentially higher quality of service and efficient processing.

A second layer of data quality assurance is the platform's rich workflow capability, to ensure that any questionable member information is reviewed by an appropriately skilled specialist. This workflow capability ensures that member information accuracy issues are not lost, and are worked until resolved, monitoring all due dates. If a work request expires, it is escalated to a supervisor for immediate resolution.

A final means of ensuring member information accuracy is the use of audits of selected member records by trained Department representatives and/or specialists working on the program for PSI on behalf of the Department.

3B.9.1: Monthly Sample of Reviews

RFP Requirement: The TPA shall send a copy of the monthly PERM files (see 3L.7 of this RFP) to the Department by the fifth (5th) working day of the month. The Department shall select a random sample of approved and denied applications (including renewals), disenrollments and ongoing cases for review. The total number of reviews completed shall be sixty (60) cases per month for a total of 360 cases per six (6) -month period. The Department shall select fifteen (15) cases from the sample for which the TPA shall conduct eligibility reviews. The Department will conduct eligibility reviews on the remaining forty-five (45) additional cases from the sample. The six (6) month periods are January through June and July through December.

PSI understands the importance and relevance of conducting monthly PERM reviews. We agree to send a copy of the monthly PERM files to the Department by the fifth working day of the month. We understand that the Department will select a random sample of approved and denied applications (including renewals), disenrollments, and ongoing cases for review. The total number of reviews completed will be 60 cases per month for a total of 360 cases per six-month period. We acknowledge that the Department will select 15 cases from the sample for which PSI will conduct eligibility reviews. Our QM analyst will perform these reviews. The Department will conduct eligibility reviews on the remaining 45 cases from the sample. The six-month periods are January through June and July through December.



The flexibility of the Web-based Vida platform allows the Department to access this type of information at any time. We can also set the rules engine in the platform to generate this information based on the given timeframes and send it directly to the Department. We are confident that the Department will be pleased with the accuracy of eligibility determinations, as the Vida platform contains controls to maintain information integrity at appropriate points of processing, which includes periodic testing and audits. Please refer to Section 3G.12 for a detailed description.

3B.9.2: TPA Reviews

RFP Requirement: The TPA shall use the hawk-i Case Review Form (Attachment 3) for each case reviewed to reflect the findings of the eligibility review. The TPA shall complete the hawk-i Case Review Monthly Tally Sheet (Attachment 4). Copies of all hawk-i Case Review Forms and the hawk-i Case Review Monthly Tally Sheet shall be provided to the Department by the tenth (10th) of each month for the previous month's reviews. The findings of the eligibility review shall be documented in the case record. All errors as defined below shall also include the corrective action taken.

PSI agrees to use the *hawk-i* Case Review Form for each case reviewed to reflect the findings of the eligibility review and to complete the *hawk-i* Case Review Monthly Tally Sheet. Copies of all *hawk-i* Case Review Forms and the *hawk-i* Case Review Monthly Tally Sheet will be provided to the Department by the 10th of each month for the previous month's reviews. The findings of the eligibility review will be documented in the case record.

As detailed in Section 3J Quality Management, we take quality seriously and have several practices in place to ensure we are providing the highest level of service to the families of Iowa. In addition to the practices already in place – formal monthly QM reviews of randomly selected files and targeted reviews based on customer appeals of eligibility decisions – we can easily incorporate the Case Review Form as a part of our Standard Operating Procedures for the *hawk-i* site.

PSI acts swiftly in the case of errors during eligibility determination to ensure that they are addressed immediately. The review findings from our QM processes will function not only as a staff performance measurement, but also an opportunity for training. Corrective action will be taken immediately on affected cases, and others that may have similar errors. All errors identified on the Case Review Form will include the corrective action taken.

3B.9.3: Definition of Error

RFP Requirement: An error is not assessed against the TPA in situations where the TPA correctly relied on information provided by the applicant or the State.

PSI understands that an error is not assessed against us in situations where we correctly relied on information provided by the applicant or the State. If the information supplied by the State was misinterpreted, we will work closely with the State to resolve any discrepancies and prevent future miscommunications. Likewise, if applicants are consistently supplying incorrect information, we will research what measures can be taken to alleviate future misinterpretations, such as conducting a fresh review of forms, instructions, and other correspondence.

3B.9.3.1: Procedural Error

RFP Requirement: A procedural error is defined as a deficiency in any aspect of processing an application or ongoing case maintenance that is not consistent with the rules and policies of the program. Procedural errors include, but are not limited to, not meeting notice requirements, incorrect income calculations that do not affect eligibility of the enrollee, inadequate documentation, etc.



PSI recognizes that a procedural error is defined as a deficiency in any aspect of processing an application or ongoing case maintenance that is not consistent with the rules and policies of the program. Procedural errors include, but are not limited to, not meeting notice requirements, incorrect income calculations that do not affect eligibility of the enrollee, and inadequate documentation.

PSI will take swift measures to correct any procedural errors, including reviewing Standard Operating Procedures to ensure they conform to State requirements, and conducting additional testing of the Vida platform that might reveal an unlikely error in programming. We will work closely with the State to evaluate findings and all remedial measures.

PSI has successfully provided training for CSRs, eligibility specialists, and other staff. We have used our experience to develop and refine our training program. This training has resulted in program staff being able to meet contractual performance standards and provide excellent customer service while maintaining low error rates.

PSI also employs data analysts who identify patterns of errors or problems. Our training specialists then use these patterns to develop a lesson plan and deliver training specifically directed to these issues. We also rely on our continuous performance monitoring to identify employees who may need remedial training. When we encounter these instances, our team leaders offer the needed refresher training. Finally, our Vida platform encompasses the business functionality required to successfully and efficiently provide all program services. The platform eliminates or minimizes manual processes and reduces the opportunity for human error through automation, rules engines, and system logic.

3B.9.3.2: Financial Error

RFP Requirement: A financial error is defined as an action, or lack of action, by the TPA that results in an ineligible person receiving hawk-i benefits in error or not being assessed a premium when one is owed.

PSI agrees that a financial error is defined as any action or lack of action by us that results in an ineligible person receiving *hawk-i* benefits in error or not being assessed a premium when one is owed.

PSI understands the critical nature of financial errors and the implications of error findings. In the unlikely event of a financial error, we will conduct a thorough analysis to determine the cause and make corrections with the goal of eliminating all financial errors.

PSI strives to prevent eligibility determination errors through system testing and staff training. When our reviews uncover deficiencies, we address that by revising our training materials and conducting additional training.

3B.9.4: Error Rate Determination

RFP Requirement: Each review element listed on the hawk-i Case Review Form (Attachment 3) is assigned points. Each case reviewed will have a maximum of one hundred (100) points. An error cited in the review will result in the loss of the points assigned to the review element. At the end of each case review, the total points scored for the case shall be recorded. The hawk-i Case Review Monthly Tally Sheet (Attachment 4) shall include the summary for the cases reviewed during that month. The error rate will be determined by dividing the total number of points scored for all case reviews during the six (6)-month period by the total points possible for the same cases.

PSI understands that each review element listed on the *hawk-i* Case Review Form is assigned points. Each case reviewed will have a maximum of 100 points. An error cited in the review will result in the loss of the points assigned to the review element. At the end of each case review, the total points scored for the case will be recorded. The *hawk-i* Case Review Monthly Tally Sheet will include the summary for the cases reviewed during that month. The error rate will be determined by dividing



the total number of points scored for all case reviews during the six-month period by the total points possible for the same cases.

3B.9.5: Department Reviews of Eligibility Determination

RFP Requirement: The Department shall re-review twenty-five (25) percent of the cases reviewed by the TPA. If the Department identifies a case in error that was previously determined correct in a review by the TPA, the TPA shall owe the Department twice the amount of any financial error. If the error is a procedural error, the total number of points in error shall be doubled.

PSI understands that the Department will re-review 25 percent of the cases reviewed by PSI. If the Department identifies a case in error that was previously determined correct in PSI's review, we will owe the Department twice the amount of any financial error. If the error is a procedural error, the total number of points in error will be doubled. PSI appreciates the critical importance of these measures and agrees to these terms.

3B.9.6: Eligibility Review Performance Measures

RFP Requirement: The TPA shall maintain an error rate of three (3) percent or less based on the results of the three hundred sixty (360) eligibility reviews and re-reviews conducted during the six (6)-month period. For financial errors, the TPA shall repay the Department the amount of any benefits paid in error and the amount of any uncollected premiums. Additionally, the Department may deduct five thousand dollars (\$5,000) for failing to maintain an error rate of three (3) percent or less from the monthly operations fee. The deduction shall be made to the monthly operations fee payment for the month following the receipt of the six (6)-month review report.

The amount of any deduction is not recoverable.

PSI will maintain an error rate of three percent or less based on the results of the 360 eligibility reviews and re-reviews conducted during the six-month period. For financial errors, we will repay the Department the amount of any benefits paid in error and the amount of any uncollected premiums. Additionally, we understand that the Department may deduct \$5,000 from the monthly operations fee for our failure to maintain an error rate of three percent or less. The deduction will be made to the monthly operations fee payment for the month following the receipt of the six-month review report. The amount of any deduction is not recoverable.

3B.10: OTHER ELIGIBILITY REVIEWS

RFP Requirement: The TPA may elect to conduct additional reviews as a part of their quality management process as described in Section 3J.1 Eligibility Process.

PSI recognizes that we may elect to conduct additional reviews as a part of our quality management process as described in Section 3J.1 Eligibility Process.

PSI understands the importance of validating and ensuring data and process integrity throughout the daily interactions with Iowa families and the agencies that provide support services to members. With that in mind, PSI has developed flexible and robust quality management (QM) tools to assist in our efforts related to documenting and reporting on results of audit scores.

The Vida platform's QM audit functions allow authorized users to define the type of audit they wish to perform, define the sample size, and provide an acceptable confidence level tailored to the specific audit created. Sample audits include data entry and quality assurance audits.

On selection of the requested audit, the Vida platform generates a random sample of accounts to be audited. After choosing one of the selected accounts, users are presented with a listing of questions, and criteria,



which they must check to ensure the audit is completed. Users can easily navigate to the screens that have the information they need to validate for the corresponding account. The screen below shows a potential audit screen for an account.

Exemption to Enrollment Request Quality Analysis

Client Name: John Smith
Document ID: 09812123121

Done Done and Next

Pass	Fail	Evaluated By	Evaluation Criteria
<input type="checkbox"/>	<input type="checkbox"/>	ESUser	1. Was exemption information accepted by the administrative agency or were all rejections investigated and resolved?
<input type="checkbox"/>	<input type="checkbox"/>	ESUser	2. Was the appropriate health plan membership information sent to the client and any related parties?
<input type="checkbox"/>	<input type="checkbox"/>	ESUser	3. Was a signature attained on the client form?
<input type="checkbox"/>	<input type="checkbox"/>	SYSTEM	4. Was an Image ID assigned to the request form within 1 day of receipt?
<input type="checkbox"/>	<input type="checkbox"/>	SYSTEM	5. Was the form entered into the system and assigned to the client's case within 1 day of the Image ID assignment?
<input type="checkbox"/>	<input type="checkbox"/>	SYSTEM	6. Was the data determined accurate and complete within 2 business days of receipt?

Case ID: 0616000002 Home Phone: (404) 222-8484 Cell Phone: (404) 222-8484 Alt. Phone: (404) 333-5432

HOH: Jane Smith HOH DOB: 01/01/1970 Language: English

Street Address: 5280 Peachtree Way City: Athens State: GA Zip Code: 30601

Mail Address: 5280 Peachtree Way City: Athens State: GA Zip Code: 30601

MAID	Client	SSI	EH Status	Reason	IRTH PI	PCP	Dntl PI	PCP	M/F	Aid Cat	CL Status	DOB
10023456	Jane Smith	1234	A-E		Health Plan 2	Medical Provider 6	Dental Plan 3	Dental Provider 1	F	SSI	Voluntary	01/01/1970
10023457	John Smith	6789	A-NE	Medical Exemption	Health Plan 2	Medical Provider 6	Dental Plan 3	Dental Provider 1	M	Medicaid Disabled Child 1 to 6	Mandatory	02/02/1966
10023458	Roger Smith	2222	A-E		Health Plan 2	Medical Provider 6	Dental Plan 3	Dental Provider 1	M	Voluntary	Voluntary	01/12/2003
10023459	Amy Smith	7779	A-E		Health Plan 2	Medical Provider 6	Dental Plan 3	Dental Provider 1	F	Categorically Needy	Voluntary	02/05/1999
10023460	Peter Smith	5454	A-E		Health Plan 2	Medical Provider 6	Dental Plan 3	Dental Provider 1	M	Categorically Needy	Voluntary	03/22/1997

Exhibit 3B-3: This screen shot shows the questions that the Vida platform automatically checks as part of the audit functionality within the system.

Vida platform users update the evaluation criteria. After completing the audit, a report is available in the Vida platform to illustrate the results including whether the audit passed or failed, as shown below:

Exemption to Enrollment Request QA Summary

Date Completed: 8/6/2007
Completed By: QAUser1
Cases Audited: 9
QA Information: Random Sample, 07/30/2007 - 8/03/2007

Print Cancel

Summary:

Cases Audited	Cases Passed	Pass Rate	Criteria Assessed	Criteria Missed	Failure Rate
9	9	100%	81	1	1.2%

Detail:

1 indicator failed for exemption not being processed within 3 days.

Pass	Fail	Case Id	QA Outcome	Failed Standards
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000002	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000055	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000042	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000009	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000022	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0617000003	8 of 9 standards passed	Exemption not processed in 3 days
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000034	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000008	9 of 9 standards passed	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	0616000004	9 of 9 standards passed	

Exhibit 3B-4: This screen shot shows the results of an audit performed by the Vida platform.



PSI currently uses several methods for determining periodic and spot audit selections. Audits are based on standard contract monitoring activity, including specific activity performed by the program specialists and eligibility and enrollment users, as well as data entry accuracy and performance standards. Audits also focus on areas related to system processing, such as eligibility logic, to ensure that correct determinations and referrals are being made, correct correspondence is being generated and sent to the family and that data files contain complete information. These audits are conducted on a routine basis. Most audits are conducted daily or weekly. If any specific issues are determined either from a report by the Department, a parent, or PSI staff, audits are also done to focus on the area that was reported as an issue. PSI will work with the Department to expand and define the necessary audits as needed.

3B.11: ENROLLMENT FILES

RFP Requirement: The TPA shall transmit enrollment files to the Department or the Department's designees on a schedule agreed upon by all parties.

PSI agrees to transmit enrollment files to the Department or the Department's designees on a schedule agreed upon by all parties.



Section 3C – Premium Collection, Capitation Payment, and Accounting

3C.1: COLLECTION AND ACCOUNTING OF PREMIUM PAYMENTS

RFP Requirement: The TPA shall be responsible for collecting monthly premiums from the family in accordance with the rules of the Department. The TPA shall notify the family, in writing, of their premium obligation when eligibility is established. No child shall be enrolled with a Health and Dental Plan in any month in which the premium obligation has not been met.

The proposal shall describe the process by which premiums will be collected and the thirty (30) day grace period tracked. Currently, payment coupons with postage-paid business reply envelopes are provided to the family at the beginning of the twelve-month enrollment period and deposits are made directly into a lockbox. The TPA is not limited only to the use of coupons. The TPA shall work with the Department to have the capability to collect premiums through automatic bank account withdrawals and by credit card payments.

The TPA shall:

- ♦ *Establish an accounting system using general accepted accounting principles by which payments will be tracked, recorded and reconciled. The accounting system shall be designed to accept and post payments made for future months, make refund and non-sufficient fund adjustments. If the family pays premiums in advance and subsequently loses eligibility, the proposal shall describe the process by which refunds and refund reversals will be made to the family and tracked in the accounting system. Refer to Sections 3G.3, 3G.4, and 3G.5 for additional system requirements pertaining to premiums.*
- ♦ *Establish a triplicate receipt system to handle cash premium payments.*
- ♦ *Deposit funds into a state owned interest-bearing account that is separate from the account in which funds warranted by the State are deposited.*
- ♦ *Balance and reconcile the State-owned bank account.*
- ♦ *Prepare financial statements on a monthly basis in a format specified by the Department and submit these statements to the Department on a monthly basis by the 10th day of the following month.*

PSI'S PREMIUM PROCESSING IS EFFICIENT, ACCURATE, AND TIMELY

PSI will be responsible for collecting monthly premiums from the family in accordance with the rules of the DHS. We will notify the family in writing of their premium obligation when eligibility is established. We understand that no child will be enrolled with a Health and Dental Plan in any month in which the premium obligation has not been met.



Lockbox Payments

Automatic Bank Account Withdrawals and Credit Card Payments

PSI will work with the DHS to implement a system for processing payments that are received through members' use of debit cards, credit cards, savings accounts, and checking accounts.

Tracking, Recording and Reconciling Payments

PSI will establish an accounting system using general accepted accounting principles by which payments will be tracked, recorded and reconciled. Our accounting system will have the capacity to accept and post



payments made for future months, and make refund and non-sufficient fund adjustments. If the family pays premiums in advance and subsequently loses eligibility, PSI will have a process in place in which a designated cross-trained analyst will manage refunds and refund reversals made to families..

PSI will be responsible for maintaining all financial activity on participants' accounts in the *hawk-i* program. We maintain account payment history and account coverage history, including manual debits for retroactive enrollment and premium credits as they occur on accounts.

Premium Payment Collection

This system will also track all initial and ongoing premiums and method of payment.

Payment Accuracy

If the payment cannot be linked to an account, it will be maintained in the suspense account. .

Short Payment Correspondence



Late Payments

Late payments are processed upon receipt, posted, and maintained on the member's account until either he or she is eligible for reinstatement, the parent requests a refund, or a timeframe determined by DHS passes such that the person is eligible for a refund.

Processing Premium Suspense Files

PSI works all suspense accounts on a daily basis, investigating the details behind suspended items and resolving them as quickly as possible.

Refund Subsystem

PSI will establish and maintain a refund subsystem based on generally accepted accounting principles, with documented internal controls, that will ensure timely, complete and accurate processing and payment of both automated and manual refunds of family premium payments.

PSI will comply with the time frames for processing and paying refunds specific to each overpayment criterion, or adjustment as established by DHS. PSI will provide DHS with a full refund report monthly and will maintain these records in accordance with established audit standards.

PSI will establish an accounts payable subsystem to track and age all unpaid refunds and all prepaid premiums. We will ensure that all refund checks returned by the post office are properly tracked as unpaid and the financial system is adjusted accordingly using generally accepted accounting principles. We will also ensure that enrollee payment history activity is updated accordingly.

In the event a refund is needed, we enter a record into the system regarding the circumstances for that refund. We also record appropriate approvals and the name of the person initiating the refund. Upon account cancellation, we refund the account balance to the member. PSI's accounting department sends a check to the member's last known mailing address. We processed refunds monthly, working with DHS to determine timeframes for meeting the needs of Iowa families.



Returned Payments

We are fully committed to handling all returned payments as efficiently as possible in order to keep accounts active and up to date. For returned paper payments, we will continue to receive notices from the bank and log the notice dates, notice numbers, dates received, the number of checks, and returned payment amounts until resolved. We post these payments to the appropriate accounts—which are subject to fees for non-sufficient funds—by the close of business on the day following receipt.

Triplicate Receipt System

PSI will use the following triplicate receipt system we employ in our other SCHIP sites to handle cash payments:



Deposits and Reconciliations

PSI will deposit funds into a State-owned interest-bearing account that is separate from the account in which funds warranted by the State are deposited. PSI will also balance and reconcile the State-owned bank account and provide a detailed financial balancing report each month

Preparing Monthly Financial Statements

PSI will prepare financial statements on a monthly basis in a format specified by the DHS and submit these statements to the DHS on a monthly basis by the 10th day of the following month.

3C.2: CAPITATION PAYMENTS TO HEALTH AND DENTAL PLANS

The TPA shall certify the number of Enrollees to establish and confirm the total capitation payment to be paid to participating Health and Dental Plans each month. The TPA shall electronically transmit this data to the Health and Dental Plans in an 820 HIPAA compliant format. The TPA shall have the capability to transmit and receive files electronically over a secured line in the system mode (example: VPN, FTP, bulletin board) that accommodates the Health and Dental Plans' software and system design. The Health and Dental Plan will send the TPA a 997 functional acknowledgment.

The TPA shall also create a paper and electronic report on the last business day of each month listing all Enrollees, the capitation amount to be paid for each month or months of coverage, and the name of the Health and Dental Plan. The report shall identify each Enrollee for whom payment is to be made alphabetically by last name and participant identification number for each Health and Dental Plan. The TPA shall submit the report to the Department no later than the first business day of the next month. The Department shall use the report to issue the payment to the Health and Dental Plans.

Payments to Health and Dental Plans

PSI will certify the number of enrollees to establish and confirm the total capitation payment to be paid to participating Health and Dental Plans each month. PSI will electronically transmit this data to the Health and Dental Plans in an 820 HIPAA-compliant format. We will have the capability to transmit and receive files electronically over a secured line in the system mode (e.g., Virtual Private Network (VPN), Secure File Transport Protocol (SFTP), bulletin board) that accommodates the Health and Dental Plans' software and system design. The Health and Dental Plan will send us a 997 functional acknowledgment.

We will create an electronic report, which users can print or export, showing the capitation amount to be paid for each month or months of coverage, and the name of the Health and Dental Plan. The report will identify each enrollee for whom payment is to be made alphabetically by last name and participant identification number for each Health and Dental Plan. PSI will also submit the report to the DHS no later than the first business day of the next month, so it can issue the payment to the Health and Dental Plans.

For capitation payments, PSI will implement an interface between the Vida platform and the Health and Dental plan providers. We will transmit information on new enrollees and the calculated capitation payments to providers using our standard EDI tool for electronic data exchange. The sending and receiving systems will each store a copy of the exchanged records along with their associated capitation payment information.

Section 3D – Appeals

3D.1: APPEALS

RFP Requirement: The TPA shall provide notice of appeal rights in all appropriate correspondence to applicants and Enrollees. The TPA shall assure compliance with all timeframes, including the Enrollee's right to request continuing eligibility in the program while the appeal determination is pending when applicable.

The TPA shall maintain all business records of written and oral contacts with applicants, Enrollees, and their representatives in a manner that will enable such records to be introduced as evidence. The TPA shall respond directly to an Enrollee's authorized representative or other third party for whom there is a signed authorization on file with the TPA.

The TPA shall prepare and present evidence on behalf of the Department in contested case appeal hearings for the hawk-i program as established by administrative rules or any other training materials provided by the Department. The TPA shall supply necessary case files and documentation in the appeal process. The Department shall provide or make available to the TPA training courses conducted by the Department on the appeal process.

In the event, an appeal is over-turned on a decision (the decision is against the Department) because the TPA failed to appear for the appeal hearing, the Department may withhold the value of the appeal from the monthly operations fee following the month the final decision was rendered. This amount is not recoverable.



While it is very important to resolve complaints, it is critical to prevent them. PSI works diligently on both fronts to enhance customer satisfaction and protect the Department.

PSI will perform a significant role in helping to ensure client satisfaction with the *hawk-i* program. As such, we will comply with all Department, State, and Federal requirements regarding applicants' and members' rights to appeal determination decisions. PSI understands and has experience with the requirements associated with dispute and grievance processing in an SCHIP program.

Our proven approach to compliance, which we use in our other contracts, is built on three key steps:

1. Apprise applicants and enrollees of their appeal rights, in clear language
2. Maintain complete records of all contacts and actions
3. Prepare thorough evidence for appeals hearings

Apprise Applicants and Enrollees of Their Appeal Rights

We will advise each family of their rights related to complaints and the grievance process using notices included with all correspondence that notifies the family of an approval, denial, cancellation, or change in eligibility. PSI takes the responsibility for resolving disputes very seriously. In our experience, grievances are typically brought over three main topics: health care services, enrollment challenges, and eligibility decisions. Our approach to addressing these grievances on behalf of the Department is standardized, yet will fully respond to and uphold the *hawk-i* grievance procedure.

Receiving and Acting on Complaints

We may receive complaints over the phone, online, in writing, or via fax. We train our staff during new hire orientation about how to address complaints, including correctly following procedures and being sensitive to customers' needs. We also train them on how to assist clients with the formal grievance process to help ensure that situations are appropriately recognized and the correct steps are taken to rectify the situation in a timely manner. Our CSRs work very hard to resolve issues quickly, and they demonstrate compassion, patience, and clarity when talking with parents about topics that can escalate to formal complaints. PSI will



also use the Department's training materials on the appeals process to educate our staff on the specifics of the program's requirements.

- ♦ As we do with all incoming mail, we open and scan all grievance correspondence and place it in a dispute resolution work queue. We time stamp the documents to establish receipt and code the imaged document or contact record for "attachment" to the account record in the database.
- ♦ PSI staff contact the grievant for additional information where required and will record all information supplied in this manner. We conduct extensive research, using Vida's enhanced search capabilities, to establish information relevant to the grievance.
- ♦ We then make a decision on the grievance, document all pertinent information in the Vida system, including escalation and resolution, and notify the Department, the grievant, and the insurer or provider (as necessary) in writing of the decision. We will arrive at a decision within the timeframe required by the Department. If the account has been cancelled when the written grievance is received, then it will remain cancelled, but affected children will retain coverage—we use an account override for this purpose—for the duration of the investigation. The Vida system helps us manage circumstances to protect the children until a decision is finalized.
- ♦ If our customer service representatives do not feel they can successfully resolve the complaint, they explain the grievance process to the parent, issue a dispute review form to assist with the tracking process, and ask the parent to forward any relevant documentation to the program office for prompt action.



Maintaining Complete Records

Our intelligent Vida platform enables us to record every document, phone, letter, event, and action in the account record: grievance, acknowledgement correspondence, research, interaction or conversation with the grievant, discussion with health service providers, written decision, and action taken on the account. The system also allows each complete account history to be easily viewed; the CSR can view associated documents with one mouse click, making it easy to immediately research events and talk knowledgeably with the family about the problem. Should the Department prefer, PSI can establish grievance folders within the database that will keep grievances separate from accounts. Our Vida system lets us instantly establish and track all due dates and deliverables in accordance with the Department's requirements.

♦ *PSI Plus*

PSI's frequent notices, detailed event tracking, and diligent research help us manage appeals information, so Iowa's children will be protected during the investigation process.

The Vida platform's automatic maintenance of account history ensures a comprehensive audit trail for each grievance, and lets us document that trail for use as evidence as needed. We can thus respond directly to an enrollee, their authorized representative, or an authorized third party, such as an administrative law judge, with the accurate information they need.

Preparing Thorough Evidence

The Department will have access to the dispute resolution work queue at all times to track the number and status of disputes and to review all records, actions, and status of each grievance. We will prepare and present evidence on behalf of the

Department in contested case appeal hearings as required by the Department. Our Vida system enables us to supply the comprehensive case files and documentation efficiently.



In the event an appeal is overturned because PSI failed to appear at the hearing, PSI agrees that the Department may withhold the value of the appeal from the monthly operations fee following the month the final decision is rendered, and we agree that this amount is not recoverable.

Disputes Involving Payment of Medical Claims or Premiums

When a formal grievance involves medical claim investigation or premium payment disagreement, our comprehensive account records are easily accessed through the Vida platform to help resolve the issue.

Medical Claim Disputes

Because the Vida system tracks all data entered, changed, and removed over time, our staff can review an account's entire eligibility and enrollment history to determine if PSI is responsible for paying a medical claim due to error. If we identify an error, we will assemble all appropriate documentation, including medical bills from the parent, account documentation, and a W-9 from the insurer or provider, and notify the Department. We will note the decision and supporting information in the database and submit all of the documentation to the finance department where payment is issued and hard-copy records are securely archived. If PSI is not liable for the claim, we will notify the Department within the required timeframe as to why the error is not attributable to PSI.

Premium Payment Disputes

If the dispute is related to a premium payment disagreement, PSI conducts much the same investigation as for medical claim determination, except that our research focuses on payment type, premium determination, subsidy level, last payment received, and similar data. The outcome will depend on whether the payment was processed on time and in the correct amount. If we determine that the premium was paid on time, the account will be reinstated. If we determine that premium is still owed on the account, we will notify all parties with copies of the payment history as proof of what has been recorded in the system.

Perhaps even more important than our rigorous resolution of complaints is our commitment to minimize the number of disputes presented by members and applicants. Our Vida platform provides a significant part of PSI's solution, as its powerful technology and architecture reduce errors and help us improve customer service and data integrity. We will comply with all Department dispute resolution procedures, as we are dedicated to delivering the highest standard of quality to the members of the *hawk-i* program.

3D.2: OVERPAYMENT REFERRALS TO THE DEPARTMENT OF INSPECTIONS AND APPEALS (DIA)

RFP Requirement: If it is determined that an Enrollee received benefits to which the Enrollee was not entitled due to error, omission or suspected fraud on the part of the Enrollee, the TPA shall be responsible for identifying the month(s) of ineligibility and the total amount of the capitation payment made in error on behalf of the Enrollee. The TPA shall complete the appropriate forms and send them to the Department within thirty - (30) days of the determination so DIA may initiate recovery of the overpayment. Copies of the referral documents shall be retained in the case record, along with documentation of how the overpayment was calculated. Overpayment referral activity shall be reported to the Department on a monthly basis.

In our other SCHIP programs, we find that occasionally, capitation payments are made due to members' errors. Despite our best efforts to contain these situations, a member's mistake or fraudulent behavior is beyond our control. When we do discover such a situation, we work with the State to provide all relevant information, so that monies can be recovered and the problem resolved quickly and accurately.



If an enrollee receives benefits to which they are not entitled due to their error, omission, or suspected fraud, PSI will identify the months of ineligibility and the total amount of the capitation payment made in error on the enrollee's behalf. We will complete the appropriate forms and send them to the Department within 30 days of the determination, so that the Department/DIA can try to recover the overpayment. We will keep electronic copies of the referral documents in the case record in the database, along with electronic documentation of exactly how the overpayment was calculated. We will clearly report all overpayment referral activity to the Department every month.

PSI has built numerous fraud-prevention checks into our Vida platform. Please see Section 3M Quality Management for more on this topic.



Section 3E – Surveys

3E.1: DISENROLLMENT SURVEY

RFP Requirement: The TPA shall conduct a disenrollment survey within thirty (30) calendar days of disenrollment. This shall be done on thirty (30) percent of the cases that were disenrolled. The TPA shall attempt to contact the household of any children who were disenrolled from the program for unknown reasons to determine why the Enrollee(s) disenrolled. The TPA shall make at least four (4) telephone call attempts at varying hours throughout the day and evening on multiple days. All attempts to obtain disenrollment information, including information regarding satisfaction with the program or other information as required by the Department, and subsequent responses shall be documented in the data system. If the household is not reached after at least four (4) telephone call attempts, the TPA shall mail a postage-paid disenrollment survey. Data obtained from the responses to these questions shall be tabulated by the TPA and shall be reported on a monthly basis in a format specified by the Department.

Learning Why Members Leave

As members come and go in the *hawk-i* program, it is useful to understand why members leave. When a member is disenrolled, it is usually due to premiums having not been paid or eligibility circumstances having changed. PSI will survey disenrolled members to determine why they left, using the surveys developed and supplied by the Department. We will share our survey data with the Department so it can analyze survey results monthly.

PSI's use of the Vida platform and a predictive dialer will maximize efficiencies in conducting surveys for the State. Therefore, we would be open to discussing the possibility of surveying more than the 30 percent of disenrolled members.

Survey Methodology

PSI will conduct disenrollment surveys on 30 percent of members within 30 days of their disenrollment and will attempt to contact the households of any children that were disenrolled for an unknown reason. To do this, our customer service representatives will call the family at least four times at various times of day and evening over multiple days. Our predictive dialer will enhance the productivity of our CSRs as they make these calls. If we cannot reach the family by phone, or if the family does not have a phone, we will mail a disenrollment survey, along with a cover letter and State-supplied business reply envelope to make it easy for parents to respond.

We will collect returned surveys from our PO Box daily, scan them, and enter the data according to standard processes for handling incoming mail, including opening, time-stamping, and scanning the documents so that we can connect each returned survey to the related account.

Survey Results

All survey data will be housed in the database; our Vida platform will allow us to extract it, aggregate it, and relay it monthly to the Department or its designated vendor for analysis. We will work with the Department to ensure our file transfer format matches the Department's needs. PSI will also generate reports and post them to the Web portal for the Department's use as needed.

3E.2: ADMINISTRATION OF THE FUNCTIONAL HEALTH ASSESSMENT SURVEYS

RFP Requirement: The TPA shall conduct two (2) functional health assessment surveys that have been developed by the Department. The first, called the baseline survey, is conducted with new hawk-i Enrollees upon enrollment into the program. The purpose of this survey is to determine the Enrollee's health status and experiences with health care services prior to enrollment in the hawk-i program.

The second, called the follow-up survey, is conducted on the same Enrollees after they have been in the hawk-i program for one year. This survey is to determine the Enrollee's experience with the program and how this experience may have affected the health status of the Enrollee.

The TPA is responsible for the development of an automated system for the distribution, tracking and transmission of materials and data related to the functional health assessment surveys as follows:

Functional Health Assessment Surveys of enrollees allow the Department to evaluate the effect of the hawk-i program on members' health over a period of time, and better understand their experience with the State's healthcare services. PSI's systematic approach follows the requirements outlined by the State. The efficiency of our Vida platform may help boost Iowa's survey response rate and thus increase the usefulness of the data collected.

PSI will survey members upon enrollment and annually thereafter to collect data for DHS to have analyzed by its current vendor of choice. We will use the surveys developed and supplied by the Department. PSI will adhere to the Department's requirements. PSI's Vida platform will automatically track correspondence and contacts.

3E.2.1: Baseline Survey

RFP Requirement:

a. Identification of survey recipients. The TPA shall develop a system that randomly designates one Enrollee per enrolled family as the child for whom the survey is to be completed.

- 1. The TPA shall use an algorithm to select the child targeted for the survey. The selected child shall not always be the youngest, oldest, etc. If there is only one Enrollee in the family, that child shall be designated as the child for whom the survey is to be completed.*
- 2. The selected child shall be assigned a unique identification number in the health assessment survey tracking system.*

b. Notification

- 1. Language preference. The TPA shall send survey materials in the preferred language (English or Spanish) as indicated on the hawk-i application form. If the language preference is for a language other than English or Spanish, materials shall be sent in English until the materials are available in the preferred language.*
- 2. Pre-notification. The TPA shall include an informational insert with each notice of approval for participation in the hawk-i program advising the family that a survey will be forthcoming.*
- 3. First survey mailing. Within five (5) business days after enrollment in the Health Plan, the TPA shall mail the survey form, a cover letter, and a postage-paid business reply envelope to the parent(s) of the selected child. The survey form shall have a label containing a unique number for identification and a three-way-match for identification. The cover letter shall contain the name of the child for whom the survey is to be completed and the unique identification number.*
- 4. Reminder postcard. If a response to the first survey is not received within one (1) week from the date the survey was mailed, the TPA shall mail a reminder postcard.*
- 5. Second survey mailing. If a response to the first survey is not received within two (2) weeks from the date the reminder postcard was mailed, the TPA shall mail a second survey. The mailing shall contain the survey form, a cover letter, and a postage-paid business reply envelope. The survey form shall have a label containing a unique number for identification and a three-way-match for identification. The cover letter shall contain the name of the child for whom the survey is to be completed and the unique identification number.*
- 6. Telephone survey follow-up. If a response to the second survey is not received within two (2) weeks from the date the second survey was mailed, the TPA shall attempt to contact the Enrollee's family by telephone. The TPA shall make a maximum of five (5) attempts to contact the Enrollee's family at varying hours throughout the day and evening on multiple days. If contact is made, but the Enrollee's family indicates they do not wish to respond at the present time, the TPA shall identify a more convenient time at which to contact the family and shall follow-up with a return call. The TPA shall use the survey form approved by the Department to conduct the survey by telephone. If no contact has been made by the fifth (5th) attempt or if the Enrollee's family indicates an unwillingness to participate in the survey, the TPA shall close the record and report it as an unsuccessful survey.*

c. Tracking. The following dates shall be entered into the automated tracking system:

- 1. Pre-notification. The date the informational insert was mailed.*
- 2. First survey mailing. The date the first survey was mailed.*
- 3. Reminder postcard. The date the reminder postcard was mailed.*
- 4. Second survey mailing. The date the second survey was mailed.*
- 5. Telephone follow-up. The date of each telephone follow-up attempt.*
- 6. Responses. The date responses were received, including the date on which the TPA records survey responses via a follow-up telephone survey.*
- 7. Unsuccessful survey. The date the survey is determined to be unsuccessful.*



d. Data entry.

- 1. The TPA shall enter the data contained in the survey into the automated system within five (5) business days of receipt of a completed survey.*
- 2. The TPA shall have mechanisms in place to ensure accuracy and security of the data entered into the automated system.*

e. Transmission of data.

- 1. The TPA shall electronically transmit the eligibility file, in the established schedule and file formats, to the Department or the Department's designee.*
- 2. The TPA shall electronically transmit all survey data within five (5) business days from the last day of the month, in the established format, for all data collected in the immediately preceding month, to the Department or the Department's designee.*

Baseline Survey

PSI will use the Department's existing baseline and follow-up surveys to collect health assessment data from members, continuing to meet the Department's goal of enhancing its understanding of how the *hawk-i* program is serving its members' health needs.

◆ *PSI Plus*

PSI prints a barcode on all outgoing correspondence, including surveys. This increases mailing efficiencies and makes it easier to match incoming mail with accounts.

IDENTIFICATION OF SURVEY RECIPIENTS. PSI's Vida platform will randomly select one child per family for the survey and assign that child a unique identification number for use within our Vida platform for tracking all surveys for that child.

NOTIFICATION. We will include an informational insert with every eligibility approval packet to alert newly approved families that they will soon be receiving a baseline functional health assessment survey. Within five days after enrollment in a Health Plan, we will mail the baseline survey, a cover letter explaining the survey, and a postage-paid envelope to the parents of the selected child. We will print the cover letter and survey in the member's preferred language as noted on their application, either English or Spanish. For other language preferences, we will send materials in English until the program's language usage threshold requires us to make them available in that language. PSI will work with the Department to

monitor the language usage threshold, in order to best serve applicants and members.

To facilitate survey tracking, we will personalize the cover letter with the name and unique ID of the child to be surveyed, along with a barcode; that same unique ID and barcode will appear on a label on the survey. The unique ID and barcode enable three-way identification of the enrolled child, the child's family, and the returned survey itself. Bar coding also speeds classification and routing of documents returned to our offices.

REMINDER POSTCARD. To boost the rate of response to the first survey from its current 24 percent level, PSI will employ other contact methods, including cards and calls. Raising the initial response rate will save the State money, as further follow-up will not be needed. First, we will send a reminder postcard to the parent if we have not received their completed survey within one week from the date we mailed it. To further encourage clients to complete these questionnaires, our CSRs will remind parents to send surveys back if we happen to speak to them during that week; our Vida platform shows CSRs all pending activity on each account, so if a parent calls the customer service center while a survey is pending, a system "hot note" alerts the CSR to ask them to return it. PSI's proactive approach is designed to improve survey response and enhance the Department's knowledge of its member base.

SECOND SURVEY. If we have not received a completed survey within two weeks of sending the reminder postcard, PSI will send a second survey to the family. The logic built into our Vida platform tracks whether we have received a survey, to avoid unnecessary mailings. This second survey mailing will be an exact



duplicate of all components of the first, including the use of a unique ID to facilitate a three-way identification match.



◆ **PSI Plus**

PSI will use postcards, follow-up mailings and phone calls to boost the current 24% initial response rate for surveys. By being proactive, PSI will get survey data to the State sooner, allowing it to react more quickly to members' needs.

TELEPHONE FOLLOW-UP. If we still have not received a completed survey two weeks after mailing the second survey package, we will call the parent up to five times at various times of day and evening over multiple days. Once we make contact, our CSR will conduct the survey over the phone, using the Department's approved survey form. We will process completed telephone surveys the same as mailed surveys, as described below. Should the parent decline to respond at that time, the CSR will schedule a call at a more convenient time. If after five calls we are unsuccessful at reaching the parent, or if the family does not have a phone, or if the family declines to participate in the survey, PSI will log the survey as closed and note the reason it was unsuccessful.

TRACKING. PSI's advanced Vida platform makes it easy to track all actions related to each survey, from pre-notification through completion. Every event—postcards, letters, calls, returned surveys, etc.—is logged in the database for each account affected:

- ◆ The date the informational insert was mailed
- ◆ The date the first survey was mailed
- ◆ The date the reminder postcard was mailed
- ◆ The date the second survey was mailed.
- ◆ The date of each follow-up call
- ◆ The date the completed survey was received, whether by mail or phone
- ◆ The date the survey is determined to be unsuccessful and thus closed

The date and kind of all system-generated correspondence, including survey mailings and postcards, is automatically logged by the Vida platform for each account record.

WEB. The program's current Web site does not allow members to complete surveys online, and PSI has not included this functionality in our proposal at this time. However, we can add this feature to the Web site as a change request should the Department wish to offer this service to program members in the future. We believe that members will be more likely to respond to an online survey, thus giving the Department more of the data it seeks.

DATA ENTRY. We will use our standard data entry processes to input the data from completed questionnaires received by mail into our Vida platform. If the survey is conducted by phone, the CSR enters the data directly into the platform. The unique ID on each survey makes it easy to connect the survey data with the correct account in our Vida platform. PSI maintains policies on employees' handling of confidential information to ensure that sensitive information remains protected.

DATA TRANSMISSION. PSI will electronically send each month's survey data to the Department or its analytics vendor in the requested file format, within five business days from the last day of each month, or at other times as requested. We will store survey data in the Vida platform, where it is easily retrievable and exported in any file format.



3E.2.2: Follow-up Survey

RFP Requirement: The TPA shall conduct a follow-up survey using the process established in Section 3E.2 of this RFP at the annual renewal of each survey Enrollee.

Members previously identified as previous survey recipients will be flagged for follow-up after 12 months of continuous enrollment. We will mail these members the Department's follow-up health assessment survey, along with a postage-paid envelope. Collecting this data will help the Department understand the effect of membership in the *hawk-i* program on the members' health over time as well as understand the member's experience with the state's health care services. Ultimately, it will assist the State in defining changes or enhancements to the program in order to better serve *hawk-i* enrollees.

PSI will use the same process for mailing out follow-up surveys and handling returned forms as we use for baseline surveys, as described in Section 3E.2.1 above. The automatic alerts built into our Vida platform track identified enrollees and generate the mailing of surveys in this phase.

3E.3: FUNCTIONAL HEALTH ASSESSMENT SURVEY ACTIVITY REPORT

RFP Requirement: The TPA shall provide a report to the Department regarding survey activity. The report shall be provided on a monthly basis and shall include the following monthly statistics:

- 1. Total Enrollees surveyed;*
- 2. Total responses to first survey;*
- 3. Total Enrollees receiving second survey;*
- 4. Total responses to second survey;*
- 5. Total Enrollees for which telephone contacts were made;*
- 6. Total surveys obtained by telephone; and*
- 7. Total unsuccessful telephone attempts.*

In order to inform the Department of all survey activity every month, PSI will provide a comprehensive report detailing the month's events, including:

- ♦ Total number of enrollees surveyed
- ♦ Total responses to first survey
- ♦ Total enrollees receiving second survey
- ♦ Total responses to second survey
- ♦ Total enrollees for which telephone contacts were made
- ♦ Total surveys obtained by telephone
- ♦ Total unsuccessful telephone attempts

Section 3F – Mailing and Postage

RFP Requirement: The mailroom plays a critical role in the receipt, issuance and tracking of correspondence. The TPA shall ensure that a process is in place by which mail is accurately tracked and distributed timely, original documents are copied or scanned, and returned to the sender timely, and requests for applications or other information are responded to timely.

3F.1: Dissemination of Information

RFP Requirement: The TPA shall distribute outreach materials, application forms, or other materials developed and produced by the Department to any organization or individual making a request of the TPA for such materials. Generally, requests for quantities of applications and other printed material are made directly to Iowa Prison Industries for dissemination. However, the TPA shall be responsible for filling any requests made directly to the TPA for orders of less than ten (10) items and for forwarding requests for larger quantities to Iowa Prison Industries.

Exception: The TPA shall be responsible for maintaining a Web site for receiving and processing free and reduced meal participant lists submitted by Iowa schools in an electronic format defined by the Department. The TPA shall be responsible for creating labels and printing a pre-designed letter, mailing applications and other outreach material to the families of children identified through this method.



PSI KEEPS IN TOUCH WITH HAWK-I MEMBERS

Over the many years that we have performed mailroom operations at our various sites, we have developed efficient processes for creating and mailing correspondence. Our specialized mailroom staff uses the Vida platform to track all requests for materials and distribute them within the required timeframes.

PSI will maintain an in-house adequate supply of *hawk-i* outreach materials, application forms, or other materials and we will distribute these materials to any organization or individual who requests up to 10 items. We will send requests for larger quantities to Iowa Prison Industries.

PSI Plus

PSI's real-time processing of incoming and outgoing mail not only meets the requirements of the State. It also expedites important communications with Iowa families seeking healthcare coverage for their children.

PSI will maintain the existing *hawk-i* Web site using the URL www.hawk-i.org for receiving and processing Free and Reduced Meals Program participant lists submitted by Iowa schools in an electronic format defined by the Department. (For a detailed discussion of PSI's approach to maintaining the *hawk-i* Web site, please see Section 3A.7.) PSI prints a pre-designed letter and mails applications with any requested outreach material to the families of children identified on these participant lists. The document generation engine in our Vida platform merges the school list data with document templates stored in the system's document repository to create personalized letters, which are sent with *hawk-i* applications to the families. Please refer to section 3L.6 for more on the Free and Reduced Lunch lists

We use the same process to generate letters for individual requests for applications. We build document templates in Microsoft Word, so we can easily review and update the content. Mail-merged letters can be automatically generated

by the system or manually generated by customer service representatives (CSRs). As a safeguard, we require all manually generated letters to go through a quality assurance check before being mailed. Our internal correspondence team reviews a percentage of the outgoing letters to verify accuracy. To expedite end-of-day quality checks, quality assurance activities are performed throughout the day to speed throughput to printing.



3F.2: INCOMING MAIL

RFP Requirement: The TPA shall ensure:

- ♦ *That all incoming mail, including faxes, are opened and date stamped daily with an identifiable stamp;*
- ♦ *That all incoming mail, including faxes, is distributed at least once daily to appropriate staff;*
- ♦ *Original documents received are copied or scanned and the originals returned to the sender within two (2) business days from date of receipt, prior to distribution. The TPA shall ensure that copied and scanned documents are complete and legible (e.g. both sides of a two-sided document, all pages, etc.)*

PSI will ensure that all incoming mail, faxes, and other correspondence are opened and date stamped daily and distributed to appropriate staff at least once during the day. In addition, we will completely and legibly copy or scan all original documents sent to us and return them to the sender within two business days of receipt, prior to distribution.

PSI uses an efficient, automated process to scan, classify, and route all incoming correspondence for data entry or into appropriate work queues at “first touch.” Our use of immediate imaging tightens security and reduces paper handling. All of our account records contain a chronological record of all letters issued to the account over time. In addition, exact replicas of the letters are available for viewing and printing, always maintaining the original date of issue.

- ♦ We open the mail immediately upon receipt and reconcile the mail counts provided by the post office with our count as we open the mail and scan it into our document processing system.
- ♦ Using a high-speed scanner, we image each envelope and its contents, and then use our Optical Character Recognition technology to classify each image by type in the system, and verify that the information is complete and legible.
- ♦ We return the originals to the sender within two business days from the date of receipt. The classified images and the associated data, including date received, type of image, etc., are imported directly into our Vida platform. Our use of bar codes facilitates the process of automatically linking documents with accounts.

Faxed correspondence bypasses the letter opening and scanning stages that mailed correspondence would take, but otherwise follows the same process.

All incoming correspondence will be processed by the end of day that it was received. We use a first-in, first-out approach to processing mail. PSI’s efficient mail process eliminates waiting for an entire day’s worth of mail to be gathered into a batch. Our processing begins immediately, so that as work flows in, it flows through the system, connecting with appropriate work queues and queuing up outbound correspondence.

3F.3: OUTGOING MAIL

RFP Requirement: The TPA shall ensure that all requests for applications or other program information are mailed within one (1) business day of the request. This includes requests made verbally via the telephone system, in writing via U.S. mail or online via the hawk-i Web site.

For the Free and Reduced Meals Program, the TPA shall mail the applications or other program information within three (3) business days from the day the names were entered on the Web site by the schools or school districts.

PSI will mail out all requests for applications and any other program information within one business day of the request, whether made over the phone, in writing, or through the online *hawk-i* Web site.



The CRM functionality in the Vida platform helps us fulfill requests for information. As CSRs enter requests into the system, automatic work queues route the information to mail room staff, who mail out the applications.

PSI will mail the applications and any other program information regarding the Free and Reduced Meals program within three business day from the day the names were entered on the Web site. Please refer to Section 3L.6 for more on our processes regarding the Free and Reduced Meals Program.

3F.4: POSTAGE

RFP Requirement: The TPA shall track, document and invoice for submission to the Department, on a monthly basis, all postage costs incurred for all materials for which the TPA is responsible for dissemination, as defined in this RFP.

PSI will track, document, and itemize all postage expenses we incur as we disseminate materials as required by the RFP. These expenditures are automatically logged and thoroughly reported through the Vida platform's financial tracking functionality. We will submit monthly invoices to the Department for reimbursement of these costs.

3F.5: COURIER SERVICE

RFP Requirement: The TPA shall utilize the courier service furnished by the Department for processing the mail.

PSI will ensure our current mailing process will operate with the courier service provided by the Department, including mail pick-up and delivery within the timeframes we need to meet Department requirements. We will work with the courier service to plan and implement any changes that will require mass mailing or special mailing projects.

3F.6: RETURNED MAIL



Barcodes help us process correspondence more efficiently and accurately. We will be happy to work with DHS to put "form type" barcodes on State-provided materials, such as applications, postcards, and surveys, when the State is ready to print new supplies of these items.

RFP Requirement: The TPA shall:

- *Receive and process all undelivered mail daily.*
- *Update the applicant's mailing address and resend the mail within one (one) business day when the U.S. Postal Service provides a forwarding address.*
- *Make two (2) attempts to contact the applicant or Enrollee at the telephone number on file in order to obtain an updated address if the U.S. Postal Service does not provide a forwarding address.*
- *Document the eligibility file within two (2) business days indicating that mail had been returned as undeliverable, the type of document that was returned, the efforts taken to obtain an updated mailing address, and the date the material was resent if applicable.*
- *Continue to mail outgoing correspondence to the address on file while researching the new address.*

Prompt Processing of Returned Mail

PSI has a thorough, effective, and highly automated returned-mail process in place at our other sites. We will use that proven process in Iowa so we can stay in close contact with hawk-i members. We use mail, phone calls, and system-generated alerts to update member addresses quickly and accurately. PSI staff monitors the returned mail process with diligence and makes every effort to contact the member and correct the addresses on file to avoid future returned-mail occurrences.



When PSI generates correspondence, such as a letter, we imprint a barcode on it that connects to the specific member account. PSI cannot use a barcode on outgoing mail that we do not create, such as State-provided applications or surveys; in this case, any barcode appearing on such an item identifies the type of form, but not a specific member account. We will work with the Department to include barcodes on State-supplied items when the Department next prints those items; having barcodes on all forms, including applications and surveys, facilitates the accurate identification and matching of those forms with the correct accounts.

- ♦ When processing returned mail, we begin by scanning all returned mail daily and identifying it as returned mail. The scanned images and data associated with the returned mail are immediately uploaded to our Vida platform.
- ♦ The Vida platform automatically attempts to identify the case the returned mail belongs to. In the rare instances where the system is unable to identify the case, the system automatically creates a work request for a PSI document clerk to research and identify the case. We employ our usual returned-mail process once the case is identified.
- ♦ If the U.S. Postal Service provides a forwarding address, we update the account record with the new address and re-send the returned correspondence within one business day. If the U.S. Postal Service does not provide a forwarding address, we make at least two calls to the addressee or authorized representative, using the phone numbers on file, to obtain a correct mailing address. It is important to note that PSI is proposing a predictive dialer phone system as part of our solution, which allows our staff to make more outbound calls in a given time period. This also includes the capability for the system to leave a message at the called number if an answering machine picks up (the CSR only needs to speak when a live person answers the phone).
- ♦ Within two business days of the mail being returned by the post office as undeliverable, we document the eligibility file, indicating the type of returned document, all attempts to obtain an updated mailing address, and, ultimately, when the material was re-sent.

The creation of this record starts our return-mail notification process:

1. The Vida system sends a notice to the last known address on file and queues an outbound call request.
2. A CSR working the outbound call queue makes at least two attempts to reach the family at the phone numbers on file.
3. An alert (hot note) is automatically created on the account, so that CSRs are immediately prompted to confirm or update the address should the member happen to call the customer service center.
4. After 90 days, the Vida system automatically checks to see if there is existing coverage on the account and if any applicable premiums have been posted.
 - a. If no coverage exists, the system will cancel the account and send a notice to the member to the last known address on file.
 - b. If coverage exists and premiums have been maintained, the system will temporarily suspend the account, i.e., render it non-active, and will send a notice to the member at the last known address, requesting updated contact information. An outbound call request is also queued.
5. We continue to send correspondence to the address on file while researching the new address.

PSI's thorough and proactive approach to updating addresses helps curb returned mail and keep program applicants and enrollees fully informed about their accounts.



3F.7: TRACKING OF MAIL

RFP Requirement: The TPA shall:

- ♦ *Maintain and utilize an incoming mail log that tracks the type of mail, date received, and the disposition of such mail (e.g. what happened to returned mail).*
- ♦ *Develop and utilize an outgoing mail log that tracks the type of mail to include, but not limited to, applications and other materials, and date mailed.*
- ♦ *Develop and maintain a returned application log that contains complete information specifying the reason(s) an application was returned to the applicant.*



PSI uses an efficient and automated mail tracking process that ensures that the correct mailings are sent to the members at the correct point in time and that everything is logged in the database from beginning to end.

PSI's Vida platform tracks all incoming mail, logging the type of mail, the date it is received, and its disposition. As discussed in Section 3F.6, we also note the reason for and status of any mail that is returned to the customer service center.

The Vida platform automatically creates a record of all outgoing mail for each account, indicating the type of mail, such as applications, letters, notices, and other materials, and the date of mailing. Our barcode process, described above, enhances this process. Should we return documents to an applicant or member, our staff notes the reason for the return in the database as well.

PSI's comprehensive mail tracking system provides complete visibility into the correspondence history of every account, making it easy for CSRs to talk knowledgeably with members about their accounts. Our system also ensures that we can quickly and easily print all incoming and outgoing correspondence for an account, including a complete correspondence chronology, which provides invaluable evidence to the Department in case of appeals or other legal actions.

The proposal shall describe in detail how the following required functions of the TPA will be fulfilled.

[illegible]

[illegible]



Exhibit 3G-1: [REDACTED]

3G.1: DATABASE

RFP Requirement: The TPA shall collect data and maintain a reporting system that meets both state and federal requirements. Data processing requirements shall include, but may not be limited to:

a. Case number. A unique case number shall be assigned to each eligible group. The case number shall be used for tracking and identification purposes. While members of a family or eligible group may change, the case number shall remain the same. If some members of a family leave the original eligible group and become eligible as a separate family unit, a new case number shall be assigned to the new group.

It is possible to have more than one case number within a household. This would occur in situations where eligible children from one family live with another eligible family. For example, an eligible child resides with an aunt and uncle and their eligible children. In this case, each eligible unit shall be assigned a unique case number even though the head of the household is the same on both cases.

Example:

Mr. and Mrs. Jones have 4 children:

Tom, age 10

Alison, age 13

Michael, age 17

Rachel, age 18

The Jones' apply for hawk-i and are assigned a case number of 123456-00. Rachel loses eligibility for hawk-i on her nineteenth birthday and is cancelled from the program. Two years later, Rachel (now 20 years old), applies for hawk-i for her one-year-old child. A new case number shall be assigned to the new family unit. The historical data for Rachel shall reflect her eligibility on the original case as a child and her current status as a parent on her child's case.

b. Head of household. Each case shall be filed by the name of the person identified as the head of the household on the application. This shall include the person's first and last name, middle initial, and title (Jr., Sr., etc.), if any. The head of the household may be either parent or another person who is responsible for the child. If the child is an independent living situation (i.e. an 18-year-old living on their own), the child may be the head of the household. All correspondence shall be directed to the head of the household.

c. Demographics:

First, middle initial and last names of people living in the household and their relationship to the head of household

Social security number when provided

Date of birth

Citizenship verification indicator (if required by federal law)

Identification verification indicator (if required by federal law)

Mailing address

Residence address

Telephone number

County code

Gender

Race and Ethnicity

Poverty level

Spoken language indicator

Pregnancy indicator

d. Status and eligibility information. The system shall capture and store unique program status and eligibility information for each case including, at a minimum, the following program status requirements:

Current and all historical begin and end dates of eligibility;

Current and all historical eligibility determinations (including but not limited to, the sources used to determine eligibility);

Current and all historical data of all Enrollee and Case related financial accounts on cost sharing;

Current and all historical data on Health and Dental Plan enrollment and capitation financial accounts

e. Individual information. The system shall support the collection, maintenance, and storage of individual Enrollee data. Each Enrollee shall be assigned a unique identification number. This identification number shall remain with the Enrollee regardless of the case number.

The TPA shall ensure that the system, at a minimum, supports the following individual data collection requirements:

For example:



Matthew and Jane Brown apply for hawk-i coverage for their son, Jacob Brown. The case is assigned number 98321. Jacob is assigned a unique identification number of H18745. The Browns get a divorce and Jacob now lives with his mother who has remarried. Mother and stepfather, the Andersons, apply for Jacob. The case number for the Anderson family is 85479. Jacob's identification number remains the same, H18745. The system will reflect that Jacob is inactive on case 98321 and active on case number 85479.

Collects, maintains, and stores individual demographic and income data required to determine eligibility for hawk-i;

Accepts Enrollee information input in online and in batch form; captures, stores and maintains required data elements in formats that adhere to the requirements developed for a Department-wide or state government-wide database (e.g., names, address(es), and telephone number(s), income, etc.

Stores and maintains complete records for both active and inactive Enrollees, with inactive records systematically archived on an electronic file according to defined schedules and criteria defined by the Department. Data shall be stored online for thirty-six (36) months. Files may be archived and shall be kept for a minimum of seven (7) years. If the term of the contract expires before seven (7) years, the data shall be turned over to the Department. Stored data files will be presented to the Department electronically, or on paper.

f. Maintain data files that are compatible to the Department's and the Health and Dental Plans' data files. The data system shall be accessible to the Department. The contractor shall pay the cost of any hardware, software, and license required to allow the Department's access. The TPA shall provide adequate training to the Department to use the system.

g. A record of all customer complaints, including specific concerns and questions, and any answers, information, or actions taken by the TPA staff in response.

h. A record of all customer inquiries, including specific questions and any answers, information, or actions taken by TPA staff in response.

i. Record online notice history in descending chronological order with the capability to recreate notices exactly as they were originally printed and in English, even if originally printed in another language.

j. A record of all entries and adjustments made to Enrollee or Case financial records.



Our Vida platform is a sophisticated, secure, highly flexible system that integrates each member's data into a single comprehensive view on the member's account.

The Vida application deftly handles:

- ♦ **Eligibility determination**
- ♦ **Document management**
- ♦ **Quality assurance**
- ♦ **Reporting**

PSI's Proven Procedures and Information Technology Meet Department Database Needs

PSI has reviewed and fully understands the operational parameters outlined in this section of the RFP. In our responses below, we discuss how we will meet the Department's expectations for each specific item.

[Redacted content]



[REDACTED]

[REDACTED]

[REDACTED]



3G.1.a: Unique Case Numbers

[REDACTED]

[REDACTED] Each eligible group is assigned a unique case number; as members of that group (family) change, the group's case number remains constant. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3G.1.b: Head of Household Information

[REDACTED] PSI will file each case by the family's head of household as identified in the *hawk-i* application, whether the person is a parent, another party responsible for the member child, or an eligible child who lives independently. We will input the full name of the head of household (first and last names, middle initial, and Jr./Sr./other title), and the platform will automatically direct all correspondence to that person.



3G.1.c: Demographic Information

PSI will enter demographics from the *hawk-i* application into the member's file in the Vida platform, including the names of people living in the household and their relationship to the head of household; Social Security number (if provided); date of birth; citizenship and identification verification indicators (when required by federal law); mailing and residence addresses; telephone number; county code; gender; race and ethnicity; poverty level; preferred language; and pregnancy status. The Vida platform will configure this information in a number of report formats, to enable PSI and the Department to understand the demographics of *hawk-i* members.

3G.1.d: Status and Eligibility Information

We will enter program status and eligibility information—and updates on it—for each case into the Vida platform. The platform will capture, store, and report on all current and historical data, including begin and end dates of eligibility, determinations (including the sources used to determine eligibility), enrollee- and case-related financial accounts on cost sharing; and Health and Dental Plan enrollment and capitation financial accounts. [REDACTED]

3G.1.e: Individual Information

We input applicants' information into the Vida platform, enabling it to track individual information for accounts from application through eligibility determination and maintenance. We use the platform to store complete records for both active and inactive enrollees online for 36 months and in archival format for seven years. Inactive records are systematically archived in an electronic file according to defined schedules and criteria defined by the Department. If the term of the contract expires before seven years, we will turn the data over to the Department, either electronically or on paper.

[REDACTED]

[REDACTED]

3G.1.f: Data Compatibility and Access

PSI's Vida platform enables us to produce and maintain data files that are compatible with those of the Department and the Health and Dental Plans involved in the *hawk-i* program. Platform data is stored using industry-standard database technology (Oracle). This technology provides compatibility that enables the Department to access all program information. Nonetheless, if the technology we propose proves not to be compatible, PSI will pay the cost of any hardware, software, and licenses required to provide the Department access to applicant and member information. PSI's IT team will meet with the Department and Health and



Dental Plans to establish data file compatibility and ensure it throughout the life of the contract. PSI's secure Web portal will enable the Department direct, password-protected access to view member information in the Vida platform's database and also to reporting software for running standard and ad hoc reports.

[REDACTED]

[REDACTED]

3G.1.g: Customer Complaints

We have exceptional methodology and technology to respond to customer complaints successfully, yet in fact receive very few. For example, in our Pennsylvania Health and Human Services Call Center operation, we received only one customer complaint out of 154,854 customer calls in 2007. Our training regimen and internal quality assurance standards result in staff members whose interactions with customers are positive and mutually beneficial. As part of our standard operating procedures, our staff members use the Vida platform to record all of their customer interactions regarding complaints, including:

◆ **PSI Plus**

PSI's thorough training and excellent service combine to please customers at all our sites. For example, in our Pennsylvania Health and Human Services Call Center operation, we received only one customer complaint out of nearly 155,000 calls in 2007.

- ◆ Member name and address
- ◆ Reason for the call
- ◆ All member contacts, including calls, letters, and e-mails
- ◆ Name of the investigator
- ◆ Dates the investigation was opened and completed
- ◆ Date and details of all activities, including staff members and actions
- ◆ Date and detail of the complaint's resolution

[REDACTED]

3G.1.h: Customer Inquiries

We use the Vida platform to log, track, refer, and record resolution of all applicant and member inquiries, including which staff member was involved, what actions were taken, what answers were provided, etc. We track all contact types, including



those via telephone, e-mail, Web, and live agent assistance. The platform provides PSI and Department staff with a single view of encounters for all persons who contact the *hawk-i* program. We can readily generate reports for strategic planning and analysis with the goal of improving customer service.

3G.1.i Record of Online Notice History

Using the Vida platform, PSI's program staff will be able to automatically:

- ♦ Log the date and type of correspondence sent to each member
- ♦ Report on all correspondence sent, including notices, by type sent and time-period
- ♦ View images of all correspondence sent
- ♦ Audit outbound mail activities to ensure that the correct letter is sent at the correct time
- ♦ Generate notifications based on changes within an account
- ♦ Generate outbound mail files
- ♦ Store correspondence templates to be used during system generation of notifications
- ♦ Regenerate correspondence on demand, as sent and in English if the original correspondence was in another language

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit 3G-3: [REDACTED]
[REDACTED]



3G.1.j Record of Financial Activity

PSI maintains a complete history of all changes to data elements in the system, including financial records, so that member obligations and payments are current and accurate. Vida platform data fields include all financial information associated with a given account, such as premium payment due dates, premium payment coupon books mail dates, and payments received. The platform stores information concerning:

- ♦ The date and time the information was entered or the change was made
- ♦ The original data field value
- ♦ The new data field value
- ♦ The user who made the change or input the information

All new data elements and changes to the value of a data element are stored in the history screen of each account record, providing instant and complete visibility into the entire account. This eliminates lengthy information searches and minimizes the likelihood of missing data. This Vida platform capability enables customer service staff to understand the history of members' financial situations and discuss the rationale for program decisions with accurate information at hand.

[REDACTED]

3G.2: INTEGRATED SYSTEM

RFP Requirement: The program data systems shall support fully integrated eligibility, enrollment and financial/ accounting systems. Refer to Section 3B.1.3 Tracking Applications for requirements regarding application tracking. The TPA shall establish and maintain an eligibility determination record for each application for the initial determination and for each subsequent determination for additional eligibility periods. The eligibility determination record shall show



the exact calculations used to determine eligibility and shall be a permanent record for auditing purposes. The system shall allow case records to be readily printed in an easy to read format for use as requested by the Department.

[REDACTED]

PSI's Vida Platform Fully Integrates Member Data

The systems that are integrated in the Vida platform are discussed in detail in other subsections of our response to the RFP. We refer the Department to those sections:

- ♦ See RFP requirement 3B.1.3 for a complete description of our applications tracking solution.
- ♦ See RFP requirement 3B.2.1-6 for a complete description of our eligibility determination solution, including how PSI will establish and maintain an eligibility determination record for each application for the initial determination and for each subsequent determination for additional eligibility periods. The records will become permanent for auditing purposes, and will show the calculations used to determine eligibility.
- ♦ See RFP requirement 3B.2.7 for a discussion of our enrollment solution.
- ♦ See our response to requirement 3G.3, 3G.4, and 3G.5 for a description of our premium payment collection and reconciliation solution and refund solution, which constitute our member financial/accounting system.

[REDACTED]

We have designed Vida to integrate all of the capabilities required by the Department, including the following.



[REDACTED]		[REDACTED]
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Exhibit 3G-4: [REDACTED]

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 [REDACTED]
 [REDACTED]





[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3G.3: PREMIUM PAYMENT COLLECTION

RFP Requirement: The TPA shall establish and maintain an Enrollee payment accounting subsystem with documented internal controls to track all hawk-i Enrollee's premiums. This system shall track all initial and ongoing premiums and method of payment such as check, money order, cash, etc. The TPA shall also provide online capability to the Department for accessing current and updated case payment historical activity. The TPA shall ensure that the system, at a minimum, supports the following functions:

- ♦ *Calculation of premiums based on guidelines developed by the Department;*
- ♦ *Tracking premium due dates;*
- ♦ *Issuance of premium notices;*
- ♦ *Issuance of reminder and overdue notices;*
- ♦ *Maintain, at a minimum, accounts receivable and accounts payable system, including the acceptance and posting of premiums for future months;*
- ♦ *Tracking the once per enrollment period thirty (30)-day grace period;*
- ♦ *Maintains statistical data on the number of Enrollees who lose eligibility for non-payment of premiums.*

The system shall also be able to grant eligibility to an otherwise ineligible child pending an appeal decision or continue enrollment pending an appeal decision.

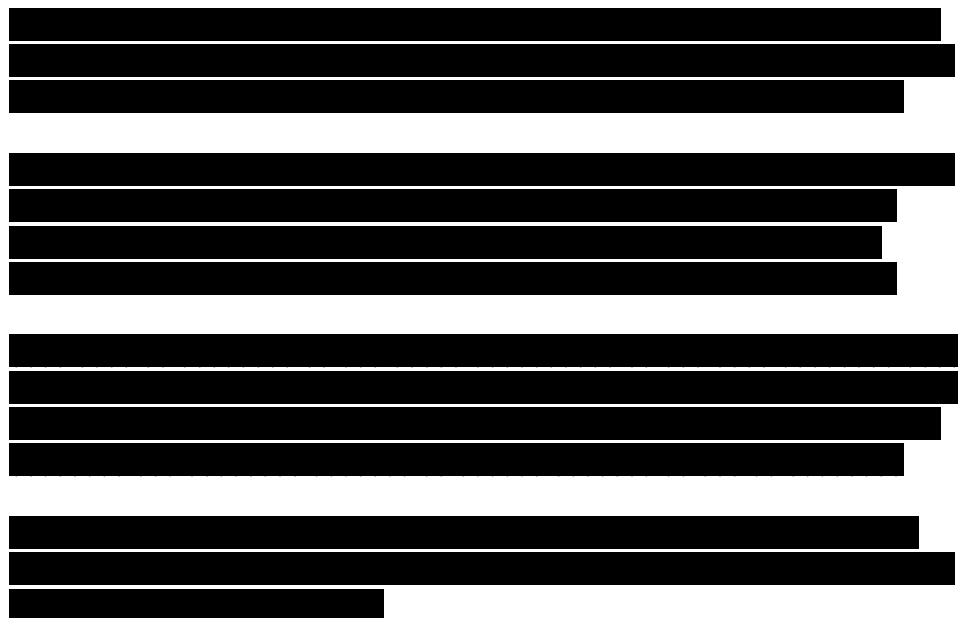


PSI's Vida Platform Facilitates Accurate Payment Accounting

PSI will meet all of the Department's payment accounting system requirements, ensuring that *hawk-i* members' financial dealings with the program are accurate and that all obligations and benefits are monitored, so members and the Department know the financial status of accounts.

◆ *PSI Plus*

The Vida platform monitors families' accounts monthly and automatically generates late payment notices and reminder letters. These alerts help families keep their children's coverage in place.



We detail our premium collection procedures in Section 3C, and here describe the payment accounting system that complements collection procedures. We begin with a summary of how we address RFP requirements for a payment accounting system, and then follow with a detailed description of the system's capabilities.

The Vida platform provides an enrollee payment accounting subsystem with documented internal controls to track all *hawk-i* enrollee premiums. This system will also track all initial and ongoing premiums and method of payment. PSI will also provide online capability to DHS for accessing historical, current and updated case payment activity. PSI will ensure that the system, at a minimum, supports the following functions:

- ◆ Calculation of premiums based on guidelines developed by the DHS
- ◆ Tracking premium due dates
- ◆ Issuance of premium notices
- ◆ Issuance of reminder and overdue notices
- ◆ Maintain, at a minimum, accounts receivable and accounts payable system, including the acceptance and posting of premiums for future months
- ◆ Tracking the once per enrollment period 30-day grace period
- ◆ Maintain statistical data on the number of enrollees who lose eligibility for non-payment of premiums
- ◆ Have the ability to grant eligibility to an otherwise ineligible child, pending an appeal decision, or continue enrollment pending an appeal decision



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit 3G-5: [REDACTED]

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Exhibit 3G-6: [REDACTED]

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[REDACTED]

3G.4: PREMIUM PAYMENT RECONCILIATION

RFP Requirement: The TPA shall, on a monthly basis, complete program premium account reconciliation and financial statements in a format approved by the Department. The TPA shall track all premiums collected and reconcile all payment sources to the monthly bank statement to ensure a complete accounting and disposition of all premiums collected by the TPA.

Premium Payment Reconciliation

PSI will complete program premium account reconciliation and financial statements monthly in a format approved by the Department. We will also track all premiums collected and reconcile all payment sources to the monthly bank statement to ensure a complete accounting and disposition of all premiums we collect.

PSI will produce a monthly and year-to-date Financial Balancing Report to reconcile premiums received for each month from the various collection vehicles with the Vida platform receipts. [REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

3G.5: REFUND SUBSYSTEM

RFP Requirement: The TPA shall establish and maintain a refund subsystem based on generally accepted accounting principles, with documented internal controls, that shall ensure timely, complete and accurate processing and payment of both automated and manual refunds of family premium payments.

The TPA shall comply with the time frames for processing and paying refunds specific to each overpayment criterion, or adjustment as established by the Department. On a monthly basis, the TPA shall provide the Department with a full refunds report. The TPA shall maintain these records in accordance with established audit standards.

The TPA shall establish an Accounts Payable subsystem to track and age all unpaid refunds and all prepaid premiums. The TPA shall ensure that all refund checks returned by the post office are properly tracked as unpaid and the financial system is adjusted accordingly using generally accepted accounting principles. Enrollee payment history activity shall be updated accordingly.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

PSI will provide the Department with a full refund report every month, documenting all refunds processed during the month. Our records and reports conform to established audit standards.

3G.6: MEDICAID SCREENING

RFP Requirement: The TPA shall establish, implement, monitor and maintain automated algorithms and systematic logics for Medicaid screening based on Medicaid's program rules. The automated algorithms and systematic logics shall conform to the Department's requirements and business rules.

◆ **PSI Plus**

[REDACTED]

PSI will establish, implement, monitor, and maintain automated algorithms and systematic logics that conform to the Department's requirements and business rules for Medicaid screening based on Medicaid's program rules. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]

RFP Requirement: The TPA shall provide the Department or the Department's designee with full system documentation for the program and a user manual. Upon request of the Department, the TPA shall also provide the Department approved system training and provide technical support to the Department and participating Health and Dental Plans.

[REDACTED] We will provide full system documentation that gives the Department or its designee total visibility into the Vida platform's operation, so the platform and its processes are always accessible and understandable to the Department. [REDACTED]

Section 3G – System Requirements
Page 26



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit 3G-7: [REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Exhibit 3G-8: [REDACTED]



[REDACTED] the Platform
[REDACTED]
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[REDACTED]



[REDACTED]

[REDACTED]

3G.8: SYSTEM MAINTENANCE

RFP Requirement: The TPA shall have a systems operations and maintenance unit whose purpose shall be to assure that the TPA's system is Fully Operational and complies with all administrative requirements within this RFP. Routine system maintenance shall be performed in a manner that does not disrupt the operations of the program.

[REDACTED]

[REDACTED]

Our routine system maintenance will not disrupt the hawk-i program. We normally perform maintenance work after business hours when users are not expected to be accessing the application.

[REDACTED]

[REDACTED]

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RFP Requirement: The TPA shall have a systems enhancement unit whose purpose shall be to develop system enhancements or modifications as required by the Department. This shall include the ability to collect and report new data elements in a Department-approved format.



3G.10: DEPARTMENT APPROVAL OF SYSTEM MODIFICATIONS

RFP Requirement: The Department has final approval of all systems enhancements or modifications. All system modifications require Department approved functional system design, contractor system testing, Department acceptance testing and Department final approval to be deemed complete and approved prior to implementation. The TPA shall have a process in place to keep the Department updated on the status of any system modification. The TPA agrees that post-implementation review is required and subject to Department approval. A post-implementation report shall be produced in a format specified by the Department.

If a system modification results in unintended consequences, (e.g. incorrect data reporting, incorrect eligibility determination, etc.), the Department shall not be charged for any additional costs related to fixing the problem.

◆ **PSI Plus**

**The Department's
active participation
in our Systems Work
Group will keep the
Department updated
on the status of all
system modifications
at all times.**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[illegible]

Age Group	Gender	Percentage Vaccinated
18-24	Male	~75%
18-24	Female	~85%
25-34	Male	~88%
25-34	Female	~92%
35-44	Male	~90%
35-44	Female	~95%
45-54	Male	~92%
45-54	Female	~98%
55-64	Male	~95%
55-64	Female	~100%
65-74	Male	~98%
65-74	Female	~100%
75+	Male	~95%
75+	Female	~98%



[REDACTED]

[REDACTED]

◆ PSI Plus

PSI provides the Department with complete visibility into the status of all member accounts and easy access to reporting tools. Authorized Department personnel will enjoy convenient access to the Vida platform 24/7, through any standard Web browser window. PSI's multiple layers of security protect sensitive information.

3G.11: DEPARTMENT ACCESS TO THE SYSTEM

RFP Requirement: The TPA shall provide any Department-designated staff person or a Department's designee staff person remote (for Payment Error Rate Measurement reviews) access to the system through a password-protected interface.

The TPA shall provide the Department with the ability to continuously review the file of any applicant or Enrollee except for daily maintenance periods including access to financials (premium and capitation payments). This will not include the ability to change existing information in the file. The TPA shall allow the Department to make additional notations to existing files. The TPA shall provide the Department access via telephone lines, computer terminals or other available technology to the entire TPA's online application information, image view of scanned applications, eligibility and enrollment records. Access will be available during regular business hours.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

Exhibit 3G-10: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

3G.12: DATA QUALITY MONITORING SYSTEM

RFP Requirement: The TPA shall establish and maintain a data quality monitoring system to assure the integrity of all program data. The TPA, at a minimum, shall provide the Department a data quality plan that integrates the various internal processes within the organization and the process approach for project execution including testing, edit implementation and quality monitoring. The TPA shall, at a minimum, identify, measure, control and improve the various core business processes that will lead to improved business performance. A copy of the data quality monitoring system plan shall be provided to the Department. The TPA quality monitoring system plan shall be updated to reflect the most current quality plan functions.

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

◆ *PSI Plus*

PSI built quality assurance tools into the Vida platform to document and report on audits of all types. We designed our database to ensure maximum data integrity, using multiple levels of data edits. Our Data Quality Plan will give the Department confidence in our comprehensive monitoring activities, and help PSI identify and refine best practices.

[REDACTED] monitoring.

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

3G.13: DECISION SUPPORT SYSTEM

RFP Requirement: The proposal shall describe the Decision Support System (DSS) that will provide designated Department staff timely access to information in order for the Department to query the system, make informed program decisions and review impact of previous program or system modifications. This includes, but is not limited to, access to current enrollment and disenrollment figures.

[REDACTED]

[REDACTED]

[REDACTED]



Exhibit 3G-11: [REDACTED]

3G.14: SAFEGUARDS OF DATA

RFP Requirement: The TPA shall safeguard data and records from alteration, loss, theft, destruction and breach of confidentiality in accordance with both state and federal statutes and regulations and as set forth herein. All activity covered by this RFP shall be fully secured and protected. The Department shall have the right to establish backup security for data and to keep backup data files in its possession if it so chooses. Exercise of this option by the Department will in no way relieve the TPA of its responsibilities. Safeguards designed to assure the integrity of system hardware, software, records, and files include:

- ♦ *Orienting employees to security policies and procedures;*
- ♦ *Developing lists of personnel to be contacted in the event of a security breach;*
- ♦ *Maintaining entry logs for limited access areas;*
- ♦ *Performing a periodic risk analysis for anticipating mishaps and determining the cost effectiveness of safeguards;*
- ♦ *Limiting physical access to systems software and libraries;*
- ♦ *Maintaining confidential and critical materials in limited access secured areas.*

PSI Scrupulously Shields *hawk-i* Data to Protect Members

PSI has in place an array of security policies, standards, and procedures designed to ensure that *hawk-i* member and program information remains confidential. [REDACTED]

PSI will maintain back-up information within its data center hosted by Verizon. We understand that the Department may wish to add security for back-up information and keep backups of data files; we will be glad



to work with the Department to achieve those goals. We understand that the Department's use of data backups does not relieve us of our responsibilities in any way.

[REDACTED]

Exhibit 3G-12 shows the people PSI contacts and the actions we take in response to a security breach.

Exhibit 3G-12: [REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



PSI uses burglar
alarms, visitor logs,
security cameras,
and badge-controlled
access to protect our
customer service
centers and the
sensitive data we
are entrusted with.

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PSI understands the importance of security controls and has employed a sound methodology for security and risk assessment, based on NIST standards to which we will adhere in support of this contract.



Limiting Physical and Virtual Access

PSI will maintain physical access protocols for libraries and software for the *hawk-i* program within a data center hosted by Verizon. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

◆ *PSI Plus*

PSI consistently works to effectively reduce security risks. We utilize a standard set of security controls to protect the operations against intrusion from unauthorized users and authorized users who are attempting to operate beyond their security privileges.

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The information will be kept online or offline for a minimum period of seven years for easy retrieval.

3G.16: EQUIPMENT STORAGE

The TPA shall store all mission-critical equipment (including, but not limited to servers) needed to implement and conduct the application process in a locked, secured, temperature-controlled room. All equipment, which is provided to the TPA by the Department, is the wholly and completely owned property of the Department.



PSI will maintain application and Web servers for the *hawk-i* program within a locked, secure, temperature-controlled data center [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Any equipment provided to PSI by the Department will remain the property of the Department.

3G.17: PERFORMANCE MEASURE

The Department may deduct ten (10) percent of the monthly Operation Costs per month for failing to keep the computer system operational ninety-eight (98) percent of the time. The TPA shall submit a monthly report detailing any down time of the computer system.

◆ **PSI Plus**

Problem management and procedures are key elements of PSI's approach to maintaining fully operational sites. These procedures provide a structure and methodology to help us identify and resolve issues quickly and effectively.

PSI agrees that the Department may deduct 10 percent of the monthly operation costs per month if we fail to keep the computer system operational at least 98 percent of the time. PSI will provide a monthly report detailing system downtime.

[REDACTED]



[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED] We will notify the appropriate Department staff person as soon as possible about problems that affect our ability to meet contractual requirements. We will follow up with an e-mail that details the problem, the solution, and when the problem should be resolved.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



Section 3H: Training

3H.1: TRAINING CONTENT

RFP Requirement: Adequate, accurate and timely training of staff is critical to perform all service requirements of this RFP. Training shall include the policies and procedures of the hawk-i program as well as the computer system. The proposal shall describe the process for new employee training as well as how existing staff is trained when there are policy or procedural changes. The proposal shall identify who is responsible for the training, how the TPA will work with the Department to assure that the training is adequate, accurate and timely, and the process for developing and maintaining the training manual.

In addition to program and policy knowledge, training in appropriate customer service and telephone skills is essential.

PSI successfully provides training for customer service representatives (CSRs) eligibility and enrollment representatives, and other staff for all of our programs.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

PSI's Training Modules provide comprehensive staff orientation and training.

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[illegible]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
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 [REDACTED]
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[REDACTED]
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[REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

RFP Requirement: The TPA shall develop and maintain a training manual. This manual shall be available in paper and electronic formats. The Department shall be provided access to the training manual. All training material containing policy information regarding the hawk-i, Medicaid, or other Department programs shall be approved by the Department prior to presentation of the material to TPA staff.

PSI will develop the necessary training manuals for all our employees for the *hawk-i* program. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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1991				1
1992	1	1		
1993	1	1		



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[REDACTED]	I			
[REDACTED]			I	
[REDACTED]			I	
[REDACTED]				I
[REDACTED]				I

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]



Section 3I – Reports

RFP Requirement: The TPA shall have the capability to create and produce a variety of statistical and analytical reports on a daily, weekly, monthly, quarterly, annual or ad hoc basis, as determined by the Department. Reports may be required in state, county, or zip code level detail and may reflect monthly and year-to-date information.

The Department shall approve the report design, format and layout. All reports shall be assigned a name and number and include a run date. Reports shall be produced on a schedule determined by the Department. The Department may require reports to be provided in paper and/or electronic format and to be posted to the hawk-i Web site. The reports are due to the Department by the tenth (10th) of the month following the month of the data in the report.

The reports currently produced by the Incumbent TPA are listed below. At a minimum, the TPA shall have the capability to produce these reports. The Department reserves the right to make modifications to these reports or request additional reports.

The proposal shall include a sample of one or more reports and how the bidder will assure accuracy of all reports listed below if they would be the resultant Contractor.

3I.1: Count of Valid Applications – Month and Year-to-Date

RFP Requirement: This report identifies the total count of all valid (signed) applications during the month and year-to-date (YTD). Counts are separated by county. This report is then further divided into three (3) different categories (or additional reports):

A. Count of Valid New hawk-i Applications – Month and YTD. This report is the total count of all valid (signed) applications received during the month and YTD. Counts are separated by county and by paper and online applications.

B. Count of Referral Applications – Month and YTD. This report is the total count of all referral applications received from Medicaid during the month and YTD. Counts are separated by county and by paper and online referrals.

C. Count of Renewal Applications – Month and YTD. This report is the total count of all valid (signed) renewal applications received during the month and YTD. Counts are separated by county and by paper and online renewals.

3I.2: Count of Applicants – Month and YTD

RFP Requirement: This report identifies the total count of all applicants (children) applied for during the month and YTD. Counts are separated by county. This report is then further divided into three (3) different categories (or additional reports):

A. Count of hawk-i Applicants on New Applications – Month and YTD. This report is the total count of all hawk-i applicants that applied for hawk-i on new applications during the month and YTD. Counts are separated by county and by paper and online applications.

B. Count of Referral Applicants – Month and YTD. This report is the total count of all referral applicants received from Medicaid during the month and YTD. Counts are separated by county and by paper and online referrals.

C. Count of Renewal Applicants – Month and YTD. This report is the total count of all renewal applicants received during the month and YTD. Counts are separated by county and by paper and online renewals.

3I.3: Month-End Application Status Report

RFP Requirement: This report is a count of all applications processed either during the reporting month or pending as of the last day of the reporting month. This report is separated by application disposition (approved, denied, or pending).

3I.4: Month-End Applicant Status Report

RFP Requirement: This report is a count of all applicants processed either during the reporting month or pending as of the last day of the reporting month. This report is separated by application disposition (approved, number of approved who are enrolled, denied, or pending).

3I.5: Time to Process Application Disposition Reports

RFP Requirement:

A. Time to Process – All Applications. This report is a count of all applications either currently outstanding or that were processed within the last 60 days. This report is separated by application disposition (approved, denied, or pending) and length of processing time. Length of processing time is calculated from the application receipt date until either a final disposition is made (approved or denied), or the last day of the previous month (if the application is still pending).

B. Time to Process – hawk-i Applications. This report is count of all hawk-i applications (paper or online) either currently outstanding or that were processed with the last 60 days. This report is separated by application disposition and length of processing time.



C. Time to Process – Referral Applications. This report is count of all referral applications (paper or online) either currently outstanding or that were processed with the last 60 days. This report is separated by application disposition and length of processing time.

D. Time to Process – Renewal Applications. This report is count of all renewal applications (paper or online applications) either currently outstanding or that were processed with the last 60 days. This report is separated by application disposition and length of processing time.

E. Time to Process by Denial Reason. This report is count of applications denied for each reason separated by length of processing time.

3I.6: Applicant Demographics Summary

RFP Requirement: This report counts applicants by specified demographic categories. This report is broken down by county and includes both month and YTD counts.

3I.7: How Applicants Heard about hawk-i

RFP Requirement: This report counts by category how applicants heard about the hawk-i program. This report is separated by county.

3I.8: hawk-i Applications Referred to Medicaid

RFP Requirement: This report is a count and percentage of applications referred to Medicaid. This report is separated by county.

3I.9: Pending Application Reports by County

RFP Requirement:

A. hawk-i Applications Pending Report by County. This report counts the number of hawk-i applications pending with hawk-i and Medicaid as of the last day of the month and the length of time since the applications were received. This report is separated by county.

B. Renewal Application Pending Report by County. This report is a count that reflects how many renewal applications are pending, identifies if the renewal application is pending with hawk-i or Medicaid and the length of time since the renewal applications were received. This report is separated by county.

3I.10: hawk-i Applicants Enrolled by County

RFP Requirement: This report is a count of the number of applicants (children) that were enrolled in hawk-i and Medicaid in the report month and the length of time since the applications were received.

3I.11: Applicants Denied by Reason and County

RFP Requirement:

A. hawk-i Applicants Denied by Reason and County. This report is a count of the number of applicants (children) denied by each denial reason, separated by county.

B. Denied Applicants Applied for on hawk-i Applications for the Month, by Reason and County. This report is a count of the number of children who applied on a hawk-i application that were denied in the report month. This report is separated by county and paper vs. online applications.

C. Denied Applicants Applied for on hawk-i Applications YTD, by Reason and County. This report is a YTD count of the number of applicants (children) who applied on a hawk-i application that were denied in the report month. This report is separated by county and paper vs. online applications.

3I.12: Denied Applicants Applied for on Referral Applications

RFP Requirement:

A. Denied Applicants Applied on Referral Applications for the Month, by Reason and County. This report is a count of the number of applicants (children) who applied on a referral application that were denied by denial reason in the previous month. This report is separated by county and paper vs. online applications.

B. Denied Applicants Applied on Referral Applications YTD by Reason and County. This report is an YTD count of the number of applicants (children) who applied on a referral application that were denied for each denial reason in the previous month. This report is separated by county and paper vs. online applications.

3I.13: Denied Applicants Applied for on Renewal Applications

RFP Requirement:

A. Denied Applicants Applied on Renewal Applications for the Month, by Reason and County. This report is a count of the number of applicants (children) who applied on a renewal application that were denied for each denial reason in the previous month. This report is separated by county and paper vs. online applications.



B. Denied Applicants Applied on Renewal Applications YTD by Reason and County. This report is an YTD count of the number of applicants (children) who applied on a renewal application that were denied for each denial reason in the previous month. This report is separated by county and paper vs. online applications.

3I.14: Enrolled Demographic Summary

RFP Requirement: This report is a count of the number of hawk-i enrollees in each demographic category (gender, race/ethnicity, language, age, FPL) for the report. This report is separated by county.

3I.15: Enrollment Count by County and Month

RFP Requirement: This report counts the number of hawk-i Enrollees in each month by disenrollments, new enrollees, retroactive add enrollees, and the total enrollment. This report looks at the previous twelve (12)-month period. This report is separated by month and county.

3I.16: hawk-i Disenrollment Report by County

RFP Requirement: This report is a count of hawk-i enrollees disenrolled by disenrollment reason for the month and YTD.

3I.17: hawk-i Renewal Activity Report

RFP Requirement: This report is a count of the number of renewal applications returned and the timeframe in which they are returned.

3I.18: hawk-i Applicants Renewed by County

RFP Requirement: This report is a count of the number of applicants (children) that were renewed in hawk-i or Medicaid during the month. This report is separated by the length of time between the date the application was received and when the applicants were renewed.

3I.19: hawk-i Family Size by Poverty Level

RFP Requirement: This report is the count of families that reflects the family size and the FPL associated with the families.

3I.20: hawk-i Household Demographics by Poverty Level

RFP Requirement: This report is the count of families that reflects the family composition associated with FPL.

3I.21: Months of Participation Report

RFP Requirement: This report is the count of children that:

- were enrolled in hawk-i for the entire twelve (12)-month enrollment period, and*
- were enrolled in hawk-i for less than the twelve (12)-month enrollment period and the reason of disenrollment.*

3I.22: Functional Surveys Activity Report

RFP Requirement: See Section 3E.3 for a description of this report.

3I.23: Center for Medicaid and Medicare (CMS) Quarterly Reports

RFP Requirement: The CMS HCFA-21E reports provide data to CMS on the number of children enrolled in hawk-i by age category, income levels, type of service by delivery system (FFS or managed care) and financial information. The data is presented unduplicated within program counts of enrollees, disenrollees, and enrollment months. Unduplicated number of children ever enrolled in the year is reported for the fourth quarter of the federal fiscal year. Additionally, the TPA will be required to report race and ethnicity data. Both reports are required to be submitted to CMS in a prescribed format.

3I.24: Daily Lockbox Report

RFP Requirement: This report is a listing of all lockbox transactions that occur on daily basis.

3I.25: Capitation Payment Report

RFP Requirement: See Section 3C.2 for a description of this report.

3I.26: Language Percentage by Health and Dental Plan

RFP Requirement: This report shows the percentage of non-English speaking enrollee in each Health and Dental Plan.

3I.27: Disenrollment Survey

RFP Requirement: This report is the number of disenrollment surveys mailed, number of survey returned, the number of mailed surveys completed, and the number of surveys completed by telephone. This is a monthly report.



31.28: Refund Report

RFP Requirement: This report lists all cases requiring a refund for a specified month and the refund amount.

31.29: Quality Management Reports

RFP Requirement: See Section 31.4 for a description of these reports.

31.30: Ad Hoc Reports

RFP Requirement: The TPA shall produce ad hoc reports as needed by the Department to provide data to the hawk-i Board, the Governor, the Iowa General Assembly, and CMS.

31.31: Financial Reports

RFP Requirement: The TPA shall produce financial reports following generally accepted account principles.

[REDACTED]

[REDACTED]

[REDACTED] We have the processes and systems in place to produce and deliver all of the reports required in the RFP, in the formats and according to the timelines established by the Department. Our reports will be assigned a name and number and will include a run date; we will have the Department approve the report design, format, and layout. [REDACTED]

[REDACTED] ensure that all reports are available to the Department by the tenth of the month following the month of the data in the report, or on other scheduled dates as determined by the Department.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Exhibit 3I-2: [REDACTED]

RFP Requirement: The TPA shall have a quality management (QM) process and plan in place. The QM review process shall include all aspects of the eligibility determination, financial accuracy and system validation. The proposal shall describe the process in which the TPA will perform QM activities and the staffing that will be assigned to perform QM activities. The QM process shall include continuous and routine measurement of Contract work to determine the TPA's compliance with all Contract requirements. Components to be measured include, but are not limited to, determining how accurate and timely the TPA's performance is in each area of responsibility. The results of the QM process will assist the TPA and the Department in measuring the quality of work being performed and facilitate recommendations for operational changes.

[REDACTED]
 [REDACTED]
 [REDACTED]
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[REDACTED]

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[REDACTED]

[REDACTED]

[illegible]

[REDACTED]
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 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

RFP Requirement: At a minimum, The TPA shall conduct reviews as described in Section 3B.9 Eligibility Determination Accuracy. The TPA may elect to perform additional eligibility reviews as a part of their quality management plan.

[illegible]

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3J.2: FINANCIALS

RFP Requirement: The TPA shall maintain a financial data quality monitoring system manual and quality plan. The TPA shall implement quality controls for all aspects of the financial systems, following generally acceptable accounting and auditing procedures. This includes review of the premium payment process and lockbox process, refund process, capitation process including any adjustment made to accounts in the financial system. The financial data quality monitoring plan shall include a reconciliation of all financial systems to the enrollment/eligibility system.

PSI will maintain a financial data quality monitoring system manual and quality plan. We will implement quality controls for all aspects of the financial systems, following generally acceptable accounting and auditing procedures. This includes review of the premium payment process and lockbox process, refund process, and capitation process including any adjustment made to accounts in the financial system. Our financial data quality monitoring plan will include a reconciliation of all financial systems to the enrollment/eligibility system. PSI will provide the following financial reports:

- ◆ **Expenditure Report.** The report will include Date Report Created and Date Range of Report. The report will include the premiums used for coverage by amount of premium, number of families, and



number of children. We will report the amount of premium revenue that is transferred by electronic funds transfer to DHS.

- ♦ **Financial Balancing Report.** PSI will report the Premium Revenue amount by method received. We will also include disposition of premiums including pending amount and amount sent to DHS by Electronic Funds Transfer. Please see Section 3G.3 for details on this report.

3J.3: SYSTEM

RFP Requirement: The TPA shall maintain a quality management plan for all aspects of the technical system. The TPA shall implement quality controls to assure the application, application process, renewal process, Web site, and financial system are in compliance with established quality criteria. Maintenance includes ensuring all interfaces, hardware, software, and mission-critical equipment continues to function properly and efficiently with the Department's technical specifications and for the Department's intended purpose. Maintenance also includes, but is not limited to, the following:

- a. Ensuring the application process and Web site is capable of accepting and processing electronic applications and renewal applications;*
- b. Ensuring that the application process and Web site is able to support a high volume of users who are simultaneously logged on; and*
- c. Ensuring that the application process and renewal process and Web site function in accordance to all terms and conditions identified by the Department.*

The TPA shall provide additional review and research of the process it uses in its system(s) and subsystem(s), in order to determine the cause of errors and to develop the systematic means to reduce the defective source of these errors, and shall not attribute inaccuracies related to human errors.

Technology Infrastructure

PSI will maintain a quality management plan for all aspects of the technical system and will implement quality controls to assure the application, application process, renewal process, Web site, and financial system are in compliance with established quality criteria. PSI employs quality methodology for our system development, which is described in detail in Section 3G. Our regular maintenance includes ensuring all interfaces, hardware, software, and mission-critical equipment continues to function properly and efficiently with the Department's technical specifications and for the Department's intended purpose. Our maintenance also ensures that:

- ♦ the application process and Web site is capable of accepting and processing electronic applications and renewal applications
- ♦ the application process and Web site is able to support a high volume of users who are simultaneously logged on
- ♦ the application process and renewal process and Web site function in accordance to all terms and conditions identified by the Department

PSI will also provide additional review and research of the process we use in our system and any subsystems, in order to determine the cause of errors and to develop the systematic means to reduce the defective source of these errors, and will not attribute inaccuracies related to human errors.

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3J.4: REPORTS

RFP Requirement: Quality Management and Control Plan. The TPA shall deliver a quality management and control plan within ninety (90) days from the execution of the Contract. The TPA shall provide the Department a revised copy of the quality management and control plan when there are modifications made to new or existing processes.

Quality Management and Control Results Report. This monthly report shall be divided into three (3) sections, eligibility, financials, and system. The documentation shall include the elements reviewed, the accuracy of the determination, corrective action taken on any errors found, the date of review, and the name of the person conducting the review.

Delivering a Quality Management and Control Plan

PSI will deliver a Quality Management and Control Plan within 90 days from the execution of the contract, and will provide the Department with a revised copy of the QM plan when there are modifications made to new or existing processes.

Our comprehensive QM plan will meet all RFP requirements. [REDACTED]

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Providing a Quality Management and Control Results Report

PSI will provide to the DHS a monthly quality management and control results report divided into three sections: eligibility, financials, and system. Our documentation will include the elements reviewed, the accuracy of the determination, corrective action taken on any errors found, the date of review, and the name of the person conducting the review.

3J.5: SYSTEM AUDIT

RFP Requirement: The TPA shall ensure the integrity of the hawk-i program through internal and external audit processes. The procedural and compliance audit requirement discussed below is in addition to the requirements in Attachment 13 Contract Terms and Conditions, General Terms N26.

The TPA shall subcontract with an independent auditing firm to perform a procedural and compliance audit of the system. The Department shall approve the independent auditing firm and subcontract. The first audit shall be completed no later than September 15, 2009, and annually thereafter.

The procedural and compliance audit shall be conducted in accordance with generally accepted auditing standards. At a minimum, the audit shall cover the following functions:

- ♦ Eligibility determinations;
- ♦ Data collections;
- ♦ Report data validation;



- ♦ *Health and Dental Plan enrollment processes;*
- ♦ *Premium collection and accounting;*
- ♦ *Capitation payments to health and dental plans and accounting;*
- ♦ *Financial accounting and bank reconciliation reports;*
- ♦ *HIPAA protocol compliance; and*
- ♦ *Timeframes and correspondence generation.*

The independent auditing firm shall consult with the Department and the TPA in completing an annual risk assessment and developing each audit project's scope and objectives. A copy of the audit reports shall be provided to the Department in writing thirty (30) days after the audit is completed. The report shall include recommended corrective actions, if applicable.

PSI will ensure the integrity of the *hawk-i* program through internal and external audit processes. In addition, we will subcontract with an independent auditing firm to perform a procedural and compliance audit of the system. The Department shall approve the independent auditing firm and subcontract. The first audit will be completed no later than September 15, 2009, and annually thereafter.

Our subcontractor will conduct a procedural and compliance audit in accordance with generally accepted auditing standards. The independent auditing firm will consult with the Department and PSI in completing an annual risk assessment and developing each audit project's scope and objectives. We will provide a written copy of the audit reports, including any include recommended corrective action, to the Department 30 days after the audit is completed.

PSI will submit an annual risk assessment and procedural and compliance audit of the system, which meets all standards and requirements of the American Institute of Certified Public Accountants' (AICPA) SAS 70, for our operations performed for DHS. The audit shall be conducted by an independent auditing firm, which has prior SAS 70 audit experience. The auditor will meet all AICPA standards for independence. The selection of and contract with the independent auditor shall be subject to the approval of DHS and the State Auditor. Since such audits are not intended to fully satisfy all auditing requirements of DHS, PSI acknowledges that the State Auditor reserves the right to fully and completely audit at their discretion based on PSI's operation. This includes all aspects that will have an effect upon the DHS account, either on an interim basis or at the end of the State's fiscal year. PSI also acknowledges that DHS also reserves the right to designate other auditors or reviewers to examine our operations and records for monitoring and/or stewardship purposes. PSI acknowledges that the first audit shall be completed no later than September 15, 2009, and annually thereafter.

SAS-70 Type II Audit

PSI agrees to submit a procedural and compliance audit that will be conducted in accordance with generally accepted auditing standards. At a minimum, the audit will cover the following functions:

- ♦ Eligibility determinations
- ♦ Data collections
- ♦ Report data validation
- ♦ Health and Dental Plan enrollment processes
- ♦ Premium collection and accounting
- ♦ Capitation payments to health and dental plans and accounting
- ♦ Financial accounting and bank reconciliation reports
- ♦ HIPAA protocol compliance
- ♦ Timeframes and correspondence generation



We will also include an audit and report on policies and procedures placed in operation, and tests of operating effectiveness, in accordance with SAS-70 Type II reporting, which exceeds the requirements of the RFP. As part of the SAS-70 Type II report, we will include a narrative description of our system, test results of the system, and controls surrounding it. PSI will engage an independent auditing firm that has prior SAS 70 audit experience and meets all AICPA standards for independence. This independent auditor shall be subject to the approval of DCH and the State Auditor.

The system audit and associated reporting will be completed in compliance with SAS-70 Type II reporting guidelines. The audit will include an in-depth evaluation of our organizational controls with a considerable amount of time allotted for review of documentation, interviewing personnel, observing controls, and inspecting evidence that supports the operating effectiveness of controls. A summary report will be prepared and available to DHS along with a summary of tests performed and results obtained.



Section 3K – Incoming Transition

RFP Requirement: The TPA shall coordinate activities with MAXIMUS to ensure that the administrative functions of the hawk-i program are transferred to the TPA as smoothly as possible and without any interruption in services to Enrollees or applicants. The TPA shall meet with the Department and MAXIMUS within one (1) week after award of the Contract to establish a transition schedule and project plan. The schedule shall include ample time to thoroughly test all processes before implementation.

PSI will coordinate activities with Maximus to ensure that the administrative functions of the hawk-i program are transferred as smoothly as possible and without any interruption in services to enrollees or applicants. PSI will meet with the Department and Maximus within one week after contract award to establish a transition schedule and project plan. Our schedule will include ample time to thoroughly test all processes before implementation. We are prepared to begin the program's transition immediately upon contract award, and to see it through to a successful handoff to our full operations team.

3K.1: TRANSITION SCHEDULE AND PROJECT MANAGEMENT PLAN

RFP Requirement: The TPA shall develop a complete and detailed transition schedule and project plan that includes, but is not limited to:

- ♦ Hiring of staff;
- ♦ Development of system requirements, including application processing, eligibility determination, tracking and quality measurement processes;
- ♦ Development of policy manual;
- ♦ Development of correspondence including notices to families, and reports for the Department;
- ♦ Development of training manual;
- ♦ Training of staff;
- ♦ Transition of paper and electronic files; and
- ♦ Transition of the phone system;
- ♦ Development of project management plan and control objectives.
- ♦ Schedule of the meetings listed in Section 3K.2 Meetings.

The transition schedule and project management plan shall be completed and approved by the Department within two (2) weeks from the start of the Contract. If the Incumbent Contractor elects to submit a bid proposal, a transition plan shall not be submitted. The Incumbent Contractor shall submit a plan with timeframes for any new processes required by this RFP or new processes proposed in the Incumbent Contractor's bid proposal.

The following table provides a quick reference to specific task items on our project management plan that address specific RFP requirements. The overall plan, shown later in this section includes additional tasks that are needed for implementing hawk-i.

Task reference on Gantt Chart	Requirements 3.K.1 and 3.K.2



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We will submit a refined transition schedule and project plan to the Department for review and approval within two weeks from the start of the contract. In this section we describe our transition schedule and project management plan, which details the procedures to be implemented and tasks to be accomplished during the period between the contract award date and December 31, 2008. It is our understanding that Maximus will also provide a transition plan for the tasks they need to complete for a smooth transfer to PSI, addressing timeframes and any new processes.

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PSI's Transition Schedule for Iowa *hawk-i*

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[REDACTED] The project timeline assumes that the contract award notice would be made by March 28 and the contract would begin by April 14. In the event that the contract award or start date is other than these dates, PSI will work with the Department to adjust the schedule appropriately.

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Exhibit 3K-2: [Redacted]

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Exhibit 3K-3: [REDACTED]

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3K.2: MEETINGS

RFP Requirement: As part of the transition schedule and project management plan the TPA shall set up meetings as listed below:

- A. The participating Health and Dental Plans within two (2) weeks after award of the contract to establish protocols that ensure enrollment and capitation files*
- B. The Department's contractor responsible for the analysis of the functional health assessment survey within two (2) weeks after award of the contract to establish protocols that ensure that data regarding the functional health assessment survey is transferred timely and in accordance with*

established schedules and file formats;

- C. The Department's data management staff within two (2) weeks after award of the contract to establish protocols that ensure coordination of the TPA's data system with the Medicaid eligibility files and the Medicaid referral system;*
- D. The Department's field operations staff within two (2) weeks after award of the Contract to ensure a smooth transition for the Department's income maintenance staff who are co-located with MAXIMUS.*
- E. The Department's contractor responsible for conducting the insurance data match in two (2) weeks after award of the contract to establish protocols that ensure coordination of the files to and from the TPA with resultant insurance data matches.*

As part of our project management tasks 15–20, PSI will meet with:

- A. The participating Health and Dental Plans within two weeks after contract award to establish protocols that ensure enrollment and capitation files are transferred timely and in accordance with established schedules and file formats.
- B. The Department's contractor responsible for the analysis of the functional health assessment survey within two weeks after contract award, to establish protocols that ensure that data regarding the functional health assessment survey is transferred timely and in accordance with established schedules and file formats.
- C. The Department's data management staff within two weeks after contract award, to establish protocols that ensure coordination of PSI's data system with the Medicaid eligibility files and the Medicaid referral system.

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Section 3K – Incoming Transition
IAL Page 19



PSI will submit written weekly progress reports to the Department by noon Monday for the previous week's activities during the transition. Upon contract award, we will work with the Department to establish a format for all of our status reports. In addition, we will conduct weekly status meetings with the Department and provide frequent e-mails of critical items in between meetings. Employing this approach, PSI can be sure we are meeting the Department's goals and expectations throughout the implementation period.



Section 3L – Other Requirements

3L.1: KEY PERSONNEL

RFP Requirement: The Department reserves the right of prior approval for all named key personnel in the TPA's proposal. The Department also reserves the right of prior approval for any replacement of key personnel. The Department will provide the selected TPA thirty (30) days to find a satisfactory replacement for the position except in cases of flagrant violation of state or federal law or contractual terms. The Department reserves the right to interview any and all candidates for named key positions prior to approving the personnel.

Staffing that Meets the State's Approval

PSI understands that the Department reserves the right of prior approval for all named key personnel in our proposal. We agree that the Department reserves the right of prior approval for any replacement of key personnel and that the Department will allow PSI 30 days, subject to negotiations for exceptions as needed, to find a satisfactory replacement for the position, except in cases of flagrant violation of State or federal law or contractual terms. We also understand that the Department reserves the right to interview any and all candidates for named key positions prior to approving the personnel. For further discussion of our proposed staffing for the *hawk-i* program, please refer to our response to Section 3A.2.

3L.2: MEDIA CONTACTS

RFP Requirement: The TPA shall not provide data to the media or give media interviews without the express consent of the Department. Any contacts by the media or other entity or individual not directly related to the program shall be referred to the Department. Upon request of the Department, the TPA shall provide names, phone numbers and addresses of Enrollees to the Department for possible media contacts.

PSI agrees not to provide data to the media or give media interviews without the express consent of the Department. We understand that any contacts by the media or other entity or individual not directly related to the program will be referred to the Department. Upon request of the Department, we will provide names, phone numbers, and addresses of enrollees to the Department for possible media contacts.

3L.3: MEETINGS

RFP Requirement: In addition to the requirements listed in Attachment 13 Contract Terms and Conditions, I (2), the TPA shall be accessible for meetings with the Department and others including, but not limited to:

- A. Weekly Department Meetings. The TPA shall meet with the Department on a weekly basis to discuss current activities and projects and other issues as necessary. These meetings may include quality control reviewers, outreach coordinators, or other persons as determined by the Department. The Department shall be responsible for setting the agenda and taking minutes of the meetings. The TPA's project manager or designee shall be present at all meetings. The TPA shall be responsible for having the appropriate staff attend as required by the agenda.*
- B. Health and Dental Plan Meetings. The Department and the TPA shall meet with the participating Health and Dental Plans on a schedule as determined by all parties to discuss any issues that relate to the TPA and/or the Health and Dental Plans.*
- C. hawk-i Board Meetings. The TPA's designated staff shall attend meetings of the hawk-i Board and be available to respond to questions when necessary.*
- D. Other Meetings. The TPA shall attend other meetings as determined by the Department. The Department reserves the right to require senior management of the TPA to attend any or all of the above meetings when necessary. Attendance by senior management may be either by telephone conference call or in person as determined by the Department. All costs associated with senior management attendance shall be the responsibility of the TPA.*

PSI agrees to be accessible for meetings with the Department and others including:

- [illegible]



[REDACTED]

- ♦ The Department remains informed of our status during all phases of the project.

[REDACTED]

3L.4: OFFICE SPACE AND EQUIPMENT

RFP Requirement: The TPA shall operate the hawk-i customer service center from an office in the greater Des Moines, Iowa area. The office shall be accessible for walk-ins and individuals with disabilities.

The TPA shall provide all office space and equipment necessary for the operation of the program to the TPA's staff. The TPA shall also provide office space to accommodate up to ten (10) Department staff who will be co-located with the TPA. (The Department staff will determine Medicaid eligibility for referred applications). The TPA shall provide the office equipment, including desks, file cabinets, chairs and shelves for the on-site Department staff. The TPA shall provide the phones and FAX lines used by the on-site Department staff with the charges for the phones and FAX billed to the Department.

The TPA shall ensure that electrical communications, telephone services, and equipment, provided to the Department's on-site staff are comparable to those provided to and used by the TPA staff. The Department shall be responsible for providing the computers and computer upgrades for the Department's on-site staff. The Department may in its sole discretion agree to pay the TPA for the reasonable rent of the office space for the Department's on-site staff. The Department shall have final approval for the terms of the TPA's lease for office space.

PSI agrees to operate the *hawk-i* customer service center from an office in the greater Des Moines, Iowa, area and ensure that it is accessible for walk-ins and individuals with disabilities. For a thorough discussion of the facilities we propose to use for the *hawk-i* program, please see Section 3A.1 Customer Service Center.

At the center, we will provide all office space and equipment our staff needs to operate the program. The center will also provide office space for up to 10 Department staff that will be co-located with us. PSI will provide the office equipment, including desks, file cabinets, chairs and shelves, for the on-site Department staff. We will also provide the phones and fax lines used by the on-site Department staff, with the phone and fax charges billed to the Department.

The electrical communications, telephone services, and equipment PSI provides for the Department's on-site staff will be comparable to that used by our own staff. The Department will provide the computers and upgrades for its on-site staff, and may, in its sole discretion, agree to pay PSI for the reasonable rent of its staff's share of the office space. We agree to give the Department final approval of the terms of our lease for the office space.

3L.5: HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

RFP Requirement: The TPA is a business associate of the Department, as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)(45 CFR Part 164) and upon award of the contract shall sign the Business Associate Agreement as set forth in Attachment 5.



The TPA shall ensure the security of protected health information about Enrollees it receives or maintains in a designated record set, or any other manner, in the performance of the Contract, as set forth in 45 CFR Part 164. The TPA shall report to the Department any breach of privacy.

PSI agrees that we are a business associate of the Department, as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)(45 CFR Part 164). Upon contract award, we will sign the Business Associate Agreement.

We will ensure the security of enrollees' protected health information, regardless of the manner we receive it during our performance of the Contract, as set forth in 45 CFR Part 164. We will promptly report any breach of privacy to the Department. Please see our response to RFP Requirement 3G.14 Safeguards of Data for detailed information regarding our breach notification process, which is included in our Standard Operating Procedures.

Protecting the Information of the Families we Serve

PSI maintains a centralized HIPAA compliance program to ensure that staff are aware of and comply with federal regulation regarding privacy and protected health information. Within the *hawk-i* program, PSI will conduct HIPAA compliance training during each new employee orientation. As a part of the standard training, we train our staff on procedures for handling protected health information on the telephone, in hard-copy correspondence, and electronically in the system. Our HIPAA compliance officer, Mark Levy, conducts mandatory annual classroom or computer-based refresher training to re-certify every employee for HIPAA compliance.

3L.6: FREE AND REDUCED MEALS PROGRAM

RFP Requirement: The TPA shall be responsible for receiving lists in an electronic format from Iowa Schools. At a minimum, names and addresses of potential applicants from Iowa schools Free and Reduced Meals Program shall be sent to the TPA. The TPA will then send an application and cover letter to each family or child on the list within three (3) business days from the day the names were entered on the Web site by the schools or school districts.

Reaching More Families through Innovation

We will implement an electronic interface to allow Iowa schools and school districts to provide demographic information including, at a minimum, names and addresses of potential *hawk-i* applicants who are participants in the Free and Reduced Meals Program, via the *hawk-i* Web site. When PSI receives information on potential applicants, we use our Vida platform to generate a cover letter for each family or child on the list. We will mail the cover letters, along with SCHIP applications and reply envelopes, within three business days from the date names were entered. Please also see Section 3F.1 for more on this topic.





3L.7: PAYMENT ERROR RATE MEASUREMENT (PERM)

RFP Requirement: The Payment Error Rate Measurement (PERM) is an evaluation of eligibility determinations and capitation payments made as required by the federal regulations. The TPA shall send files (applications, denied applications, ongoing cases and disenrolled cases) in a format as specified by the Department's PERM contractor. The TPA shall also cooperate and provide necessary files to the Department's PERM contractor; this may include access to the TPA system.

PSI understands that the Payment Error Rate Measurement (PERM) is an evaluation of eligibility determinations and capitation payments made as required by the federal regulations. PSI will send files (applications, denied applications, ongoing cases and disenrolled cases) in a format as specified by the Department's PERM contractor. PSI will also cooperate and provide necessary files to the Department's PERM contractor; potentially including access to the Vida platform.

3L.8: SECURITY DISASTER RECOVERY AND CONTINGENCY PLAN

RFP Requirement: The TPA shall develop and maintain a written Security, Disaster Recovery and Contingency Plan, which shall be updated as necessary. The Security, Disaster Recovery and Contingency Plan shall detail alternative options for providing the administrative services contained within this RFP in the event of a natural or manmade disaster. The plans shall detail alternative headquarter sites in case of a regional disaster which disables the administrative vendor facility. The plan shall also detail how the program data systems will be transferred to the new location and the process for staffing the new facility. The plan shall include making backup tapes of software and databases. The plan shall also detail a program telephone system failure contingency plan when the program systems are inoperable or overwhelmed by call volume. Updates to the Security, Disaster Recovery and Contingency Plan shall be approved by the Department.

The TPA shall also provide physical site and data security sufficient to safeguard the confidential nature of all data, which may include, but is not limited to, encryption of data transmitted electronically. The TPA and the system shall comply with the Federal Information Processing Standards (FIPS) outlined in the following publications:

- ♦ *Automatic Data Processing Physical Security and Risk Management (FIPS PUB.31).*
- ♦ *Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).*

PSI will develop and maintain a written Security and Disaster Recovery and Contingency Plan, which will be updated semiannually or as critical changes occur. The plan will detail alternative options for providing the administrative services contained within this RFP in the event of a natural or manmade disaster. PSI's plan will detail alternative headquarter sites in case of a regional disaster which disables the administrative vendor facility. Our plan will also detail how the program data systems will be transferred to the new location and the process for staffing the new facility. The plan will include making backup tapes of software and databases or



present how data is replicated to ensure recovery after a natural or manmade disaster. Our plan will also detail a program telephone system failure contingency plan when the program systems are inoperable or overwhelmed by call volume. Updates to the Security and Disaster Recovery and Contingency Plan will be approved by the Department.

PSI will also provide physical site and data security sufficient to safeguard the confidential nature of all data, which may include encryption of data transmitted electronically. PSI and the system will comply with the Federal Information Processing Standards (FIPS) outlined in the following publications:

- ♦ FIPS 199 and FIPS 200 (these standards have superseded FIPS PUB 31)
- ♦ Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191)

PSI has developed separate, comprehensive Security and BCDR plans, which are described in the following two sections:

- ♦ Security Plan
- ♦ Business Continuity/Disaster Recover (BCDR) Plan

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Exhibit 3L-1: [REDACTED]

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Exhibit 3L-2: [Redacted text block]

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Section 3M – Actual and Liquidated Damages

3M.1: ACTUAL DAMAGES

3M.1.1: Operations Start Date

RFP Requirement: The hawk-i system shall be Fully Operational on January 1, 2009. Compliance with the January 1, 2009, date is critical to the Department's interest. Therefore, the TPA will be liable for resulting damages if this date is not met. The TPA's capability to meet this date will be determined by the Department. If the hawk-i system is not fully operational by the start date due to the TPA's failure, then the TPA will forfeit all claims to reimbursement of monthly expenses or operational payments for that month and each month thereafter, until the hawk-i system is Fully Operational as determined by the Department. In addition, the TPA will be liable for all additional costs incurred by the Department to continue current operations. The additional costs are defined as any contingency costs associated with extending the contract with the incumbent TPA and any increase in the operating payments to the incumbent TPA resulting from the emergency extension.

PSI will have the *hawk-i* system transitioned from Maximus and fully operational on January 1, 2009. If our staff and systems for the program are not fully operational by that date, we will forfeit reimbursement for monthly expenses and operational payments for that month and for each month thereafter until the Department determines that it is fully operational. Should the Department incur additional costs to continue its current operations as a result of PSI's failure to deliver a fully operational system on January 1, 2009, we agree that we will be liable for such costs. Those costs may include any contingency costs associated with extending the contract with the incumbent TPA and any increase in the operating payments to the incumbent as a result of the emergency contract extension.

3M.1.2: Erroneous Payments

RFP Requirement: The TPA shall ensure that erroneous payments of State or Federal funds are quickly identified, reported to the Department and corrected. If an overpayment, underpayment, or duplicate payment is made, and the payment is the result of either the failure of the TPA to use available information and correct guidelines or failure of the TPA to process payments correctly, the TPA will be liable for the difference between the amount paid and the amount that should have been paid using available information and the correct guidelines or by processing correctly. Erroneous payments for which the TPA is liable shall be withheld from the next TPA monthly payment from the date the error was found.

PSI will quickly identify any erroneous payments of State or federal funds, report them to the Department, and correct them. If any overpayment, underpayment, or duplicate payment is made as a result of our failure to use available information and correct guidelines or our failure to correctly process payments, then we will be liable for the difference between the amount paid and the amount that should have been paid using available information and the correct guidelines or by correctly processing payments. PSI understands that the Department may withhold erroneous payments for which we are liable from its next monthly payment to us after the error was identified.

3M.2: LIQUIDATED DAMAGES

RFP Requirement: Liquidated damages may be assessed by the Department in instances where the TPA fails to meet critical performance standards for system performance. The Department shall have authority to assess damages for the amount specified below. The Department shall notify the TPA in writing of its intent to assess liquidated damages in each instance. The TPA may appeal the assessment of damages pursuant to the dispute resolution process for damage assessments. Specific performance standards and associated damages are identified throughout Section 3 of this RFP. Once assessed, liquidated damages are not refundable to the TPA contractor.

PSI agrees that the Department may assess liquidated damages in instances where we fail to meet critical standards for system performance as set forth in Section 3 of the RFP. We understand that the Department will given us written notification of its intent to assess liquidated damages in each instance, and that we may appeal the assessment pursuant to the dispute resolution process for damage assessments. We further agree that assessed damages are not refundable to PSI.

Section 4.2.7 - Experience

The bidder shall provide the following information regarding its experience:

RFP Requirement 4.2.7.1: Number of years in business.

PSI'S YEARS OF SCHIP EXPERIENCE WILL CONTRIBUTE TO *hawk-i's* SUCCESS

PSI has been in business for over 23 years. Our stability as a business enables us to provide Iowa with the constancy the State needs in a third-party administrator for the *hawk-i* program. We were incorporated as a small consulting firm in 1984 with an important mission: to do socially useful work. As a result of the founders' desire to make a difference, they formed a consulting and research firm to foster social awareness, expand public policy research, and champion innovation. In 1991, we put our consulting best practices to use and expanded our business to include government outsourcing and technology. PSI's Government Health, Child Support, and Workforce operations currently employ over 1,700 employees in 72 programs in 30 states and the District of Columbia.

RFP Requirement 4.2.7.2:

Number of years experience with providing the types of services sought by the RFP

PSI has provided the types of SCHIP administration services sought by the RFP for over 11 years. Our extensive experience will contribute to the success of the *hawk-i* program. In 1996, we began administering health insurance for low-income children when we became the administrator for the Florida Healthy Kids program. Today, we operate six dedicated government health programs in six states and nine customer service call centers for various SCHIP programs in seven states.

RFP Requirement 4.2.7.3:

Describe the level of technical experience in providing the types of services sought by the RFP.

PSI's technical experience in providing the services sought in the RFP, gained in the SCHIP-related programs of several states, brings a wealth of expertise to Iowa. As we have demonstrated in our administration of similar programs, we understand the complexities of SCHIP and have developed innovative protocols, procedures, and systems that enable us to improve services to children and their families.

Florida Healthy Kids



When we became the administrator for the Florida Healthy Kids program in 1996, it was a state- and county-sponsored low-cost health insurance program for children. In early 1998, PSI partnered with Florida to successfully deliver an on-time Title XXI (SCHIP)-compliant system, which helped transform the Healthy Kids program from a small, sliding-scale plan offered in only 23 of Florida's 67 counties to the statewide KidCare SCHIP program. We provide application processing, eligibility determination, income and insurance verification, program enrollment and Medicaid referral, a customer contact center, service for parents and guardians, and premium collection and processing.



Georgia PeachCare for Kids

In November 1998, through our wholly owned subsidiary, Dental Health Administrative and Consulting Services, PSI began working with Georgia's Department of Community Health to implement and administer the Georgia PeachCare for Kids program, which we have operated successfully since then. In November 2007, Georgia awarded PSI a new contract for PeachCare for Kids, continuing our long partnership with the state. PSI's experience with the Georgia Department of Human Services dates back to 1998, when we opened our new hire reporting program. Since then, PSI's superior performance has expanded our work in a number of that state's agencies.

In Georgia, we deliver high-quality results and meet expectations at all times. As a result, for the past three years:

- ♦ We mailed 100 percent of all applications requested within two business days.
- ♦ We processed 100 percent of all applications within the 10-day goal.
- ♦ We earned quality assurance scores between 94 and 98 percent, exceeding the contract requirement of 90 percent or better.
- ♦ We achieved a 99.5-percent accuracy rate in determining eligibility for SCHIP.
- ♦ We recorded 100 percent of calls to evaluate quality and allow DCH to monitor performance at any time.

Tennessee CoverKids

In Tennessee, we demonstrated our flexibility in adapting to the changes states must cope with in administering SCHIP programs. PSI was awarded a contract to provide eligibility and enrollment services beginning in March 2007 for Tennessee CoverKids, a new program funded by SCHIP and State funds. PSI processes applications, operates a call center, determines eligibility, and handles enrollments and referrals. Details of our work with Tennessee on the CoverKids program follow, in the Strategic Partnerships section.

Colorado CHIP+

From 1999 through 2003, PSI worked with the State of Colorado to launch the nation's first standalone SCHIP, helping the State establish and manage the program. We determined eligibility for CHIP+ and conducted simultaneous applicant screenings for two Medicaid programs and the Colorado Indigent Care Program on an average of 4,000 applications per month. Total enrollment was approximately 50,000 children out of an estimated eligible population of 83,000. We enrolled eligible children in one of five HMOs or in the State's own provider network, sent out enrollment packets, and followed up with families about enrollment choices. Our staff assisted more than 10,000 callers and 250 walk-in families each month.



PSI's Multi-State Experience Brings a Wealth of Expertise to *hawk-i*

PSI's Progressive SCHIP and Medicaid Administration Experience

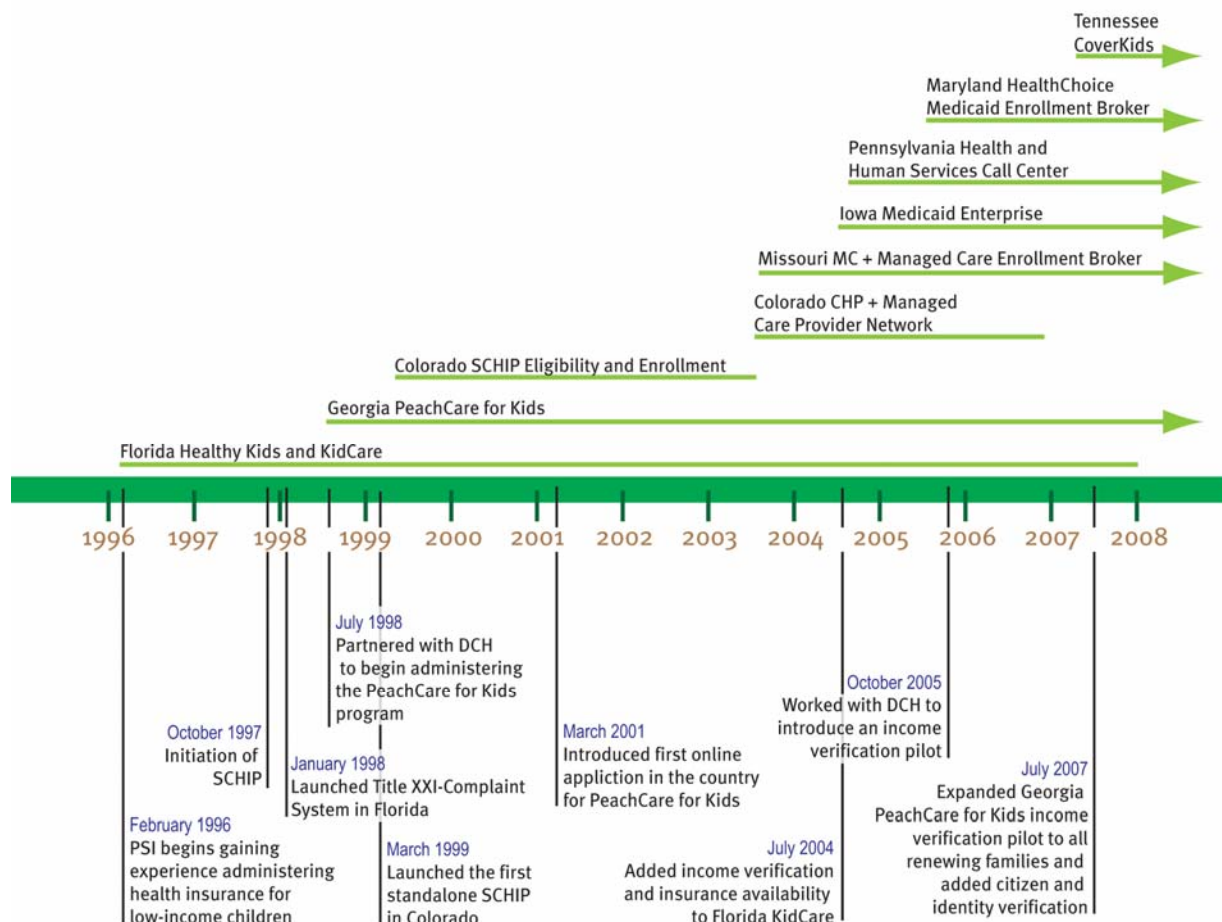


Exhibit 4.2.7-1: PSI's Progressive Experience Administering SCHIP and Medicaid Programs.

PSI is a national leader in operating SCHIP and Medicaid programs, with extensive experience performing eligibility, enrollment, and premium processing services.

RFP Requirement 4.2.7.4:

List all services similar to those sought by this RFP that the bidder has provided to other businesses or governmental entities.

RFP Requirement 4.2.7.5:

Identify if the services were timely provided and within budget.

PSI's Experience Demonstrates Exemplary Qualifications for Iowa

Exhibit 4.2.7-2 below lists our most recent health benefits-related contracts, all of which are currently in operation. We have provided contractual services in all of our related programs in a timely manner and within budget. Following the exhibit, we describe these programs in more detail.



Experience	Georgia PeachCare for Kids	Florida Healthy Kids and KidCare	Iowa Medicaid Enterprise	Maryland HealthChoice Medicaid	Missouri MC+ Managed Care Enrollment Broker	Pennsylvania Health and Human Services Call Center	Tennessee CoverKids Program
Medicaid or SCHIP Enrollment Broker				√	√		
SCHIP Eligibility and Enrollment Administration	√	√				√	√
Premium Processing	√						
Customer Service							
Manage Telephone Call Center	√	√	√	√	√	√	√
Take Telephone Enrollments		√	√	√	√	√	√
Purchase and Maintain Telephone Systems and Equipment	√	√		√	√	√	√
Provide Education and Outreach	√		√	√		√	√
Develop, Implement, and Maintain Web Site	√					√	√ (in development)
Informing Materials							
Develop Enrollment and other Program Materials			√ (provider enrollment)	√	√	√	
Mail Enrollment Materials		√	√ (provider enrollment)	√	√		
Enrollment/Disenrollment Processing							
Process Plan Enrollments/Disenrollments		√	√ (provider enrollment)	√	√		√
Process Program (SCHIP) Applications	√	√				√	√
Develop, Implement, and Maintain an Automated Processing System	√	√		√	√		√
Process Web Applications and Enrollments	√	√					√ (in development)
Services Timely Provided and Within Budget	√	√	√	√	√	√	√

Exhibit 4.2.7-2: PSI's Recent Health Benefits Contracts. PSI has extensive experience administering a variety of functions for health benefits-related programs.



PSI's Strategic Partnerships Exceed Expectations

PSI is a response partner to all the states whose SCHIP programs we operate, and we also show the depth of our strategic partnering in other contexts. Not only is our performance consistently reliable when things are business as usual, but when the situation becomes highly challenging, PSI acts quickly and decisively to help families get the best possible service, regardless of the hurdles to be overcome. We go beyond the mere provision of required deliverables and forge partnerships with state clients, form alliances that address states' unexpected needs, and develop innovation and best practices in the health care arena. The Iowa Medicaid Enterprise program and the Georgia and Tennessee SCHIP programs are prime examples of PSI's exceptional partnership activities.

Partnership with the Iowa Medicaid Enterprise Produces Results



Our ongoing and fruitful partnership with Iowa has strengthened the social impact of the State's Medicaid program. By assuming operation of the hawk-i program, PSI would be building on our established relationships with State staff, continuing our successful alliance with Iowa, and expanding our service to Iowa families.

In PSI's operation and management of the Iowa Medicaid Enterprise (IME) Provider Services Unit, we work with eight other vendors and the State to provide and continually improve customer service to Iowa's Medicaid provider community. Our Provider Service unit responds to 29,000 provider calls per month. The State looks to PSI as a leader of all the vendors involved, and our cooperative functioning in this role has made us an effective leader. Our ongoing and fruitful partnership with Iowa is strengthening the Medicaid program's social impact, helping increasing numbers of state residents while continuing to set the standard for Medicaid provider services across the country.

The Need

Iowa's Medicaid provider community required ongoing information and assistance through a partnership with the State that would enable it to most successfully serve the State's Medicaid population. Iowa determined that to best serve Medicaid clients, providers needed a program with certain defining characteristics, including:

- ♦ Customer service and outreach services for enrolled providers
- ♦ A system based on providers' needs
- ♦ Provider claims assistance to promote prompt, accurate payment processing
- ♦ Access to consistent, reliable information
- ♦ Cooperative approach consistent with the IME philosophy to provide seamless services to providers
- ♦ Proven record of high performance, as evidenced by five contract amendments (discussed in the following) that represent additional work for PSI; we have emerged as IME's "go to" vendor

The Program

In early 2004, the Iowa Department of Human Services took a new approach to operating its Medicaid program, creating the IME. It divided a large, multi-faceted Medicaid contract into nine smaller contracts awarded to multiple vendors with specialized expertise in each area. PSI is responsible for all functions necessary to encourage and support provider participation in Iowa's medical assistance programs, including:

- ♦ Enrolling providers and maintaining provider data
- ♦ Providing training and assistance to participating providers



- ♦ Responding to provider calls and letters
- ♦ Developing and maintaining a repository of provider information

Leadership and Staff Provide Excellence Service in Iowa

A crucial element of program and partnership success is the quality of staff members who develop and implement initiatives that benefit clients. PSI's IME staff comprises the best of the best, as demonstrated by the results achieved.



Kelly Peiper,
IME Project Manager

- Site Manager Julie Lovelady received PSI's annual Excellence in Leadership Award in recognition of her 15 years of experience with Iowa's Medicaid program, strong people-management skills, and record of effective client communication.
- Project Manager Kelly Peiper earned the rigorous Project Management Professional credential, joining an elite group of highly qualified business practitioners.

The Results

The IME has been fully operational since July 2005, and PSI's Iowa staff has grown 39 percent with the State's five "add-ons" to our contract.

Eliminating Backlog Improves Service

When operations began in July, we inherited a significant backlog of provider correspondence and applications that the former vendor had not completed before the transition. PSI joined with the State to create and implement a plan to address the issue proactively. We eliminated the provider correspondence backlog by October 1, 2005, and resolved the enrollment backlog just 30 days later.

POWERPOINT PRESENTATION INCREASES AWARENESS OF IME

After learning that the Medicaid director needed a presentation to explain the IME to other State officials, PSI's marketing department created a PowerPoint presentation, which was well-received by policy makers, providers, and constituent groups across Iowa.

TRAINING IMPROVES SERVICE DELIVERY

PSI plays a key role in this innovative, progressive initiative to improve Medicaid in Iowa. We are bringing the lessons learned and experience gained from the IME to all of our other Medicaid projects. By building best practices working with Iowa, we benefit Medicaid programs across the country.

During project implementation, the State needed help educating providers about its recently deployed Preferred Drug List. Although it was not part of our contract, PSI delivered statewide training to all providers, demonstrating our commitment to partnership and meeting our clients' needs to improve their programs.

LEVERAGING TECHNOLOGY WE WORK SMARTER AND FASTER

- By creating a call-escalation queue to increase effectiveness and efficiency, PSI reduced non-productive time by over 400 percent, increasing our service level.



- We use database work queues to speed up check research requests, and implemented a process that cut the average time to create and send letters to providers notifying them of approaching stale-dated checks from two days to just two hours.
- Other database enhancements allow multiple team members to work on case documents simultaneously, so applications are processed faster.

Outreach to Stakeholders Fosters Collaboration

PSI Produces Results for Iowa Medicaid Enterprise

We substantially increased provider satisfaction levels across the board, from staff knowledge and courtesy to training materials and follow-up.

We cut the average call waiting time in half for the 350,000 calls we handled, thus increasing staff productivity by two hours a day.

Less than 1 percent of provider complaints were due to CSR performance, thanks to our effective staff training.

- During 131 outreach sessions in 2007, PSI served a variety of stakeholders, including providers, partner corporations, elected officials, the State of Iowa, and the media. We also frequently presented at conferences held by provider organizations, including the Iowa Hospital Association, the Iowa Dental Association, and the Iowa Medical Group Management Association.
- Due to the fact that our Provider Services Unit touches almost every aspect of the Medicaid program, PSI is in a unique position to lead and foster cooperation among the nine related business units embedded directly within State government. The solutions we've developed have cut across business lines for more effective collaboration and outcomes.
- We aggressively seek to be a part of all Medicaid dialogue to both internal and external stakeholders.

Adding Value Makes PSI an Important Partner

- PSI goes far beyond contract expectations, sharing with the State our knowledge on claims processing and our expertise on policy reforms.
 - We provide quarterly summaries for the Medicaid Director and State legislature, which help the State manage its Medicaid program and deliver high-quality services to Iowans.
 - PSI's Provider Services assists with operational and technical issues that affect all units of the IME. We developed a new process using the OnBase system to transfer MediPASS Disenrollment Requests from Provider Services to Member Services, improving both the productivity and reliability of the disenrollment process. We also introduced an e-form for enrollment phone calls, faxes and e-mails, which saves paper, decreases enrollment processing time, and creates an electronic history in the account to facilitate research.
-
- ♦ We share knowledge on claims processing and other provided-related topics by leading weekly meetings with the Core management team and State Policy staff to discuss and implement program and system enhancements that foster cooperation among nine vendors. We facilitate and lead meetings within the IME to develop shared solutions to problems that cut across specific business roles. We also offer our CSR and provider training to the other vendor staff members within the IME to assist them in their responsibilities.
 - ♦ We offer expert input on Iowa Medicaid Reform legislation and other policy measures. PSI took the lead in developing a new Medicaid Provider Agreement and ensured that the new contract incorporated all necessary information. Our Provider Services staff has also assisted DHS Policy staff and others in the implementation of several new initiatives, including Annual Medical Cards for Members, the requirement of the National Drug Code on claims forms, and the requirement that Medicaid providers use tamper-resistance prescription pads.



- ♦ We promote the IME model utilizing our marketing expertise. PSI marketing developed IME transition training with the assistance of staff at the IME; we continually review our training curricula, striving for continued improvement. We have also developed a marketing brochure for providers to encourage electronic billing, are currently developing an IME Toolkit that will describe IME services to Medicaid providers, and have suggested IME Web site enhancements that will benefit providers.
- ♦ We create proactive plans that build on past successes and address current challenges. We have recently suggested to the State a new idea for billing providers' claims to the IME, and have received State approval to explore this idea.

♦ **PSI Plus**

PSI shares expertise that goes beyond our contractual requirements.

In Iowa, we provide our expertise to Member Services and Medical Services regarding Managed Care activities. PSI has maintained a strong presence at IME meetings to discuss complex Medicaid policy at both a high level and in detail. We have become an effective "information clearinghouse" that is utilized by all areas of the IME.

- ♦ Testing and implementing the Web tool
- ♦ Providing support for providers in using the Web tool
- ♦ Drafting all provider education and announcements regarding NPI and enrollment renewal
- ♦ Monitoring and reporting project progress and issues
- ♦ Working actively with the State and other IME units to resolve issues
- ♦ Educating staff on NPI and enrollment renewal issues

PSI's Add-On Work Shows How the State Values Our Quality Partnership

Iowa so values the contribution that PSI makes to the IME program that it has added new components to our work, including:

- ♦ Stale Dated Check Clerk and Receptionist at the IME
- ♦ Project management and technical assistance activities for the National Provider Identifier (NPI) implementation project and the re-enrollment project of all current Medicaid providers. To date we have verified the NPI of 88 percent of active provider numbers on the MMIS, and 52 percent of all legacy numbers are now operating under the new provider agreement. The amendment caused PSI to add a project manager and several temporary staff.
- ♦ User support for online remittance advice and mass email functionality
- ♦ Provider background checks for individual Consumer Directed Attendant Care (CDAC) providers and manual license update verifications

The State is also very pleased with the successful completion of PSI's Standard Operating Procedures project and the audit we performed of our processes. PSI staff played a key role in:

- ♦ Developing the cross-walk logic to be used by the Medicaid Management Information System
- ♦ Designing the Web tool providers would use to verify NPI and to conduct enrollment renewal
- ♦ Managing the development of the new provider agreement to comply with federal requirements

Partnerships with Other States Demonstrates PSI's Qualifications

In the following narrative and tables, we provide a snapshot of our accomplishments as partners with other states; these demonstrate our qualifications to make *hawk-i* the best SCHIP program in the country.



Georgia SCHIP Enrollment Freeze Puts PSI to the Test



When limited funding forced the Georgia PeachCare for Kids program to freeze enrollment in March 2007, PSI's local customer service center immediately notified residents, added phone messaging, created new letters to mail out, and added staff to handle the extra calls and complaints.

PSI worked quickly to assist Georgia in effectively executing all phases of closed enrollment—notification, training, and system enhancements—while at the same time allowing those enrollees who were still in the processing stage to receive coverage.

- ♦ Within **24 hours** of notification, PSI created a new call script for notifying families of the new policy and developed training packages to inform customer service representatives on handling questions related to closed enrollment.
- ♦ Within **4 days**, PSI mailed 176,750 letters to PeachCare for Kids families notifying them of closed enrollment
- ♦ Within **4 weeks**, PSI updated the Web site with detailed information about closed enrollment, Updated all necessary letters with information about closed enrollment, created a process to easily and accurately track and process applicants for open and closed enrollment, and updated the entire eligibility process to allow for closed enrollment while continuing the enrollment process up to Medicaid eligibility referral

♦ *PSI Plus*

We have proven ourselves extremely flexible in adapting to the changing landscape of SCHIP, working closely with our clients as their programs have changed.

When enrollment re-opened four months later, PSI acted quickly and effectively to serve Georgia's waiting families. Within 30 days, PSI completed open enrollment and final system enhancements, produced interactive voice response scripts, developed training materials, updated all correspondence, and updated the eligibility and enrollment system.

PSI's record in Georgia is impressive. To date we have achieved:

- ♦ \$12,492,697 in premiums processed
- ♦ 922,626 customer telephone calls answered
- ♦ Average call answer speed of 37 seconds
- ♦ An average of 8,200 applications processed every month
- ♦ More than 330,000 enrollees

In the meantime, we provided Georgia with regular reporting so the State could understand the impact of closing enrollment and make informed decisions on how to move forward with the program.

Helping Georgia Roll Out CMO Program Underscores Partnership

In 2006 Georgia PeachCare for Kids rolled out Care Managed Organizations (CMOs) to all enrollees. Because of media coverage and enrollee notifications, our total call volume increased by 49 percent. In response we set up a CMO war room at our site and provided the State with hourly, then daily reporting of statistics, call volumes, types of inquiries we encountered, and the feedback we got from enrollees.

To provide a smooth transition to the CMO program, we suggested changes to correspondence to enrolled families, new messaging, and careful re-writing of our interactive voice response unit call flow. These changes enabled us to handle 51 percent of the calls through automated means, providing expedient service to the families of Georgia.



Although our work volumes increased by 30 to 96 percent, we were able to maintain contractual service levels, often improving performance. This required little increase in staffing and caused no interruption of our high quality of service. We enhanced the success of program's roll-out through partnering with the state and providing proactive solutions and innovative ideas.



Tennessee School SCHIP Application Program Meets State Needs

PSI administers the Tennessee CoverKids SCHIP program. When enrollment showed signs of slowing down, we partnered with the State to distribute one million applications through the public schools. The State was so pleased with the results—7,000 new members—that we are doing the mailing again in 2008.

Despite a contract that wasn't signed by the State until a few short weeks before the "go live" date, PSI was able to launch the eligibility and enrollment portion of the program on schedule and according to plan. Operations began in 2007 on March 13, and we received and processed applications by the March 23 deadline—in time to provide coverage for the first group of children on April 1.


Given the time constraints the task was daunting, but our Tennessee Eligibility & Enrollment (E&E) team was up to the challenge. From the moment PSI was awarded the contract in mid-February, the team began addressing components of the program, such as:


- ♦ Creating recorded messaging to communicate CoverKids enrollment process and requirements to potential applicants
- ♦ Providing voice mail availability to applicants could leave requests for applications to be mailed
- ♦ Developing letters to provide basic communication with applicants on the status of eligibility determinations, requests for missing information, and important contact information
- ♦ Developing a manual eligibility calculator tool along with manual spreadsheets and processes to interface with state entities and the program's fiscal agent until our system was able to automate these processes


Encompassing two locations with 15 staff members, PSI departments worked together to set up a document control center, establish an offsite call center, and customize the computer program that streamlined the entire eligibility and enrollment process. We also developed manual tools and hired and trained staff to operate the program. Our E&E team worked closely with the State of Tennessee and external agencies like Blue Cross, which would be handling other components of the CoverKids program, to ensure the cohesiveness of the entire project.


As PSI Group Manager Gina Padilla noted, "This is a completely new program for the State of Tennessee. Though the State has implemented public health insurance programs before, it had never outsourced the work to a private company. The State needed implementation be accomplished quickly and was impressed with what we showed we could do in our Georgia SCHIP program. Even with an exceptionally short start-up, PSI met Tennessee's needs."


PSI SCHIP and Medicaid Program Details


Information	Georgia PeachCare for Kids Program
 <p>Brief Description of the Scope of Work</p>	<p>PSI is the SCHIP administrator for the Georgia PeachCare for Kids program. Our primary responsibilities include:</p> <ul style="list-style-type: none"> • Processing applications - PSI's latest statistics show that we process an average of 8,200 PeachCare for Kids applications every month • Determining SCHIP eligibility including the verification of income and insurance availability • Enrolling children in SCHIP or referring them to Medicaid, with an enrollment level of more than 330,000 children • Providing customer service for parents and guardians • Collecting and posting premium payments • Managing annual renewals for SCHIP children • Operating a full-service customer service contact center, with a total of 922,626 customer telephone calls answered to date, at an average call answer speed of 37 seconds • Developing and maintaining a member-oriented Web site and providing a Web-based application process
Contract Dates	7/1/98-6/30/02, 7/1/02-9/30/04, 10/1/04-6/30/08, 7/1/08-6/30/12 (if all renewals are granted)
Duration of the Contract	Several multi-year contracts with 1-year renewals
Total Project Cost	Most recent (7/1/08): \$50,000,000


Information	Florida Healthy Kids and KidCare Program
 <p>Brief Description of the Scope of Work</p>	<p>PSI is the SCHIP administrator for the Florida Healthy Kids and KidCare program. Our primary responsibilities include:</p> <ul style="list-style-type: none"> • Processing applications – PSI's latest statistics show that we processed 15,881 Florida Healthy Kids and KidCare applications in December 2007 • Determining SCHIP eligibility including the verification of income and insurance availability • Enrolling children in SCHIP or referring them to Medicaid – Total enrollment in all programs in 2007 averaged 243,265 children. • Providing customer service for parents and guardians • Providing monthly eligibility files to participating HMOs • Collecting and posting premium payments • Managing annual renewals for SCHIP children • Operate a full-service customer service contact center <p>Recognition</p> <ul style="list-style-type: none"> • Florida Healthy Kids won an "Innovations in American Government" award from Harvard University and the Ford Foundation. • BearingPoint Consultants commended PSI's training department for exhibiting industry best practices in the call center's delivery of superior customer service.
Contract Dates	2/1996 – 01/2002, 02/2006 – 4/30/2008
Duration of the Contract	5-year contract + extension
Total Project Cost	\$50,000,000

Information	Iowa Medicaid Enterprise (IME)
 Brief Description of the Scope of Work	PSI is responsible for all functions necessary to encourage and support provider participation in Iowa's medical assistance programs, including: <ul style="list-style-type: none"> • Enrolling providers and maintaining provider data • Training and assisting participating providers • Responding to provider inquiries • Developing and maintaining a repository of provider information
Contract Dates	7/2004 – 6/2008
Duration of the Contract	4-year contract
Total Project Cost	\$10,000,000

Information	Maryland HealthChoice Medicaid Enrollment Broker
 Brief Description of the Scope of Work	PSI performs all functions related to member enrollment into participating HealthChoice managed care organizations (MCOs), including: <ul style="list-style-type: none"> • Education and outreach through field staff and community-based organizations • Enrollments, transfers, and disenrollments into Maryland's Medicaid and Primary Adult Care programs. The total enrollment in the HealthChoice program is 350,300 plus 30,800 enrollees in the Primary Adult Care Program. • Developing, producing, and mailing enrollment packets and other informational materials • Customizing and maintaining an enrollment information system (CHOICE) • Telephone system and Member Help Line services • Quality assurance and training for on-site and field staff
Contract Dates	8/2005 – 6/2008
Duration of the Contract	3-year contract and three 1-year extensions
Total Project Cost	\$45,600,000

Information	Missouri MC+ Managed Care Enrollment Broker
 Brief Description of the Scope of Work	PSI administers an enrollment broker operation for the Missouri MC+ program. In 2007, the program enrollment volume averaged 346,817 MC+ members. Duties under this contract include: <ul style="list-style-type: none"> • Operating a full-service customer service contact center • Assisting callers with completing applications for Medicaid and SCHIP over the phone • Developing, producing, and mailing program materials • Processing MC+ Enrollments and Disenrollments • Developing and maintaining an automated processing system
Contract Dates	7/1/03-6/30/10 (if all renewals are granted)
Duration of the Contract	5-year contract with two 1-year renewals
Total Project Cost	\$12,500,000

Information	Pennsylvania Health and Human Services Call Center
 <p>Brief Description of the Scope of Work</p>	<p>PSI administers a toll-free helpline serving seven different health and human services programs. Duties under this contract include:</p> <ul style="list-style-type: none"> Serving seven help lines: Healthy Kids, adultBasic, Special Kids Network, Lead Information, Long-Term Care, Brain Injury, and Healthy Baby, spanning five state agencies: Pennsylvania Insurance Department, and the State departments of Health, Public Welfare, Aging, and General Services. In Fiscal Year 2006-2007 PSI handled 154,854 calls, saving the state \$2.2 million, representing a 45 % reduction in help-line costs Assisting callers with completing applications for Medicaid and SCHIP utilizing the state COMPASS system to complete applications Delivering presentations at health fairs and other venues Developing, producing, and mailing program materials Maintaining a public web site: www.helpinpa.state.pa.us <p>Recognition</p> <ul style="list-style-type: none"> Pennsylvania Governor Rendell's key staff has praised PSI's operational efficiency and superior customer service.
Contract Dates	8/2004 – 7/2008
Duration of the Contract	2-year contract and four 1-year extensions
Total Project Cost	\$16,800,000

Information	Tennessee CoverKids Program
 <p>Brief Description of the Scope of Work</p>	<p>PSI provides eligibility and enrollment services for the Tennessee CoverKids Program. Functions PSI performs include:</p> <ul style="list-style-type: none"> Accepting applications – Our application processing volume reached 1,911 in December 2007 Answering telephone calls about eligibility and the program Determining eligibility for the program based on State guidelines Enrolling those individuals who are deemed eligible Referring others to more appropriate programs, such as Medicaid or other programs under the CoverTennessee umbrella Engaging in a proactive and innovative outreach program to identify potential eligible members
Contract Dates	3/2007 – 2/2010
Duration of the Contract	3-year contract
Total Project Cost	\$10,000,000

NMSN Enhances Our Understanding of Children's Insurance Needs

PSI's National Medical Support Notice (NMSN) programs show our exposure to the world of children and their need for insurance. In NMSN programs, we contact the employers of parents responsible for child support to get the children enrolled on their parent's employer health coverage.

Georgia NMSN

As part of the state's child support endeavors, PSI designed, implemented, and currently operates Georgia's NMSN program, performing vital functions:

- Generating NMSNs and addendums necessary to obtain all data elements pertaining to the notice
- Receiving and handling medical information responses provided by employers and plan administrators
- Operating a NMSN contact center to assist custodial parents in selecting health care options



- ♦ Developing and delivering effective outreach to increase enrollment in private coverage and to inform custodial parents about the availability of non-private coverage options

The NMSN initiative helps ensure that children receive medical coverage. In New Jersey, PSI was able to get 78 percent of employers to comply with reporting. This allowed us to enforce medical coverage through a non-custodial parent for 24 percent of affected children.

NEW JERSEY NMSN

In 2003, PSI was awarded a contract to provide statewide NMSN services for the New Jersey Department of Human Services, Division of Family Development. Under this contract, PSI processes all NMSNs for the State, designs employer outreach strategies, monitors compliance, provides statewide customer service, and maintains an innovative NMSN database, Web site, and imaging solution to support the NMSN processing services. During the first full year of operation, our high compliance rate was due in part to an extensive employer outreach program, consistent monitoring and follow-up methodology, and attentive customer service.

RFP Requirement 4.2.7.6:

Letters of reference from three (3) previous clients knowledgeable of the bidder's performance in providing services similar to the services described in this RFP and a contact person and telephone number for each reference. The bidder shall not include references from the Iowa Department of Human Services.

Letters of Reference

Letters of reference from three of PSI's clients are shown in the Attachments.

Georgia PeachCare for Kids

Our reference letter from Georgia PeachCare for Kids is from Michelle Mickey Rork, Program Director for PeachCare for Kids. The program is in Georgia's Department of Community Health.

The Department's main number is: (404) 656-4507

The PeachCare for Kids Program can be reached at: 1-877-427-3224

Florida HealthyKids

Our reference letter from Florida HealthyKids is from Fred Knapp, Chief Operating Officer of the program.

The HealthyKids Program can be reached at: 1-850-224-5437

Tennessee CoverKids

Our reference letter from Tennessee CoverKids is from Andrea D. Willis, the Director of CoverKids. The program is in Tennessee's Department of Finance and Administration.

The Department's main number is: (615) 741-2401

The CoverKids Program can be reached at: 1-866-268-3786



Section 4.2.8: Personnel

The bidder shall provide the following information regarding its personnel.

4.2.8.1: TABLE OF ORGANIZATION

Provide a table of organization. Illustrate the lines of authority. Include the names and credentials of the owners and executives of your organization and, if applicable, their roles on this project.

Also, include key personnel who will be involved in providing implementation and ongoing services contemplated by this RFP.

At PSI, we believe the success of an outsourced operation depends largely on the quality of expertise, resources, and support provided to it by the corporate office. We have designed our corporate infrastructure with this in mind. Each of PSI's corporate divisions leverages years of expertise and experience in the delivery of best practices across all of its health and human services programs. Specifically, in our government health contracts, PSI's corporate resources help ensure that we meet contractual performance and operational requirements. Not only have our corporate resources contributed to our overall success record, they also reflect our deep commitment to both our clients and customers served by our operations. In Exhibit 4.2.8-1, we identify PSI's organizational structure, how our Iowa *hawk-i* operation fits into that structure, and the lines of authority and support.

Exhibit 4.2.8-1: PSI's organizational structure for Iowa hawk-i operations.

PSI is a Colorado corporation with our headquarters in Denver, Colorado. PSI is owned by the holding corporation PSHI, which has PSI as its only asset. PSHI is a Delaware corporation headquartered in Denver, Colorado. PSI provides outsourcing, technology, and consulting services that help health, human services, and justice organizations enhance performance and improve the social and economic well-being of the children and families these programs serve.



Corporate Leadership

PSI's strong corporate management team and organizational structure facilitates streamlined operations. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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Exhibit 4.2.8-3: [REDACTED]



4.2.8.2: Resumes of Key Personnel

Provide resumes for all key personnel, including the project manager, who will be involved in providing the implementation and ongoing services contemplated by this RFP. The resumes must include: name, education, and years of experience and employment history, particularly as it relates to the scope of services specified herein.

In the Attachments, we have included resumes [REDACTED]
[REDACTED]





4.2.8.3: Subcontractors

Provide the name and qualifications of any subcontractor who will be involved with this project. Describe the work and estimate the percent of total work the subcontractor will be performing.

PSI does not intend to use subcontractors in the operations of this project.

4.2.8.4: Other Contracts and Projects

Describe other contracts and projects currently undertaken by the bidder.

Below we have listed all our current projects. Please see Section 4.2.7 Experience for detailed information regarding our government health projects.¹²⁰



Section 4.2.10 – Termination, Litigation, and Investigation

The bidder must provide the following information:

4.2.10.1: HISTORY OF CONTRACT TERMINATION

During the last five (5) years, has the bidder had a contract for services terminated for any reason or has any such contract been subject to any form of default notice or threat of termination. If so, provide full details related to the termination, notice of default, or threat of termination.

PSI is proud of our outstanding record of excellent performance. We attribute our success to our highly skilled and dedicated employees, our acutely accurate proprietary computer systems, our proven best practices in all our sites, and our continuous and rigorous monitoring of all contracted performance standards.

We have had only had one operations contract termination during our 23 years of operation. Our contract to operate a local child support operation for Horry County, South Carolina, was terminated due to financial necessity on the part of the State. This was in no way a reflection of our performance on that contract, which the State rated as excellent. We will provide a copy of the State's termination letter on request.

In October 2007, PSI received a letter outlining issues regarding transition dates for our Iowa Bureau of Child Welfare Information Systems consulting project. PSI provided a Gantt chart highlighting our transition plan for the project and did not meet all of the timelines as outlined. Negotiations are currently underway, and we expect the letter to be rescinded as a result. The issues concerning this consulting project will have no negative effect on our ability to administer the *hawk-i* program in a timely, cost-effective, and customer service-driven manner. Our transitions of all actual program operations, such as SCHIP and other outsourced programs, have always been on time.

Except as described above, PSI has never had a contract for services terminated for any reason or had any such contract subject to any form of default notice or threat of termination. Our record of performance in all of our work for our clients is exemplary.

4.2.10.2: HISTORY OF PENALTIES

During the last five (5) years, describe any damages or penalties or anything of value traded or given up by the bidder under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason and the estimated cost of that incident to the bidder.

PSI has rarely been subject to penalties or fines during our decades of experience. These are the only such circumstances that have occurred during the last five years:

Full-service Child Support, Teller County and El Paso County, Colorado

In our operations at these sites, PSI took over a competitor's contract that required significantly more clean up than was anticipated when the contractual performance goals were set. Largely due to the fact that the State Child Support Enforcement Agency assigned County goals for collections, current support, and arrears payments on statewide goals, rather than on County-specific improvements, led to penalties of \$46,209.60 in 2004. In that year PSI posted impressive results: El Paso increased collections by 9 percent, compared to a State average of 5 percent; increased collections by 13 percent over 2003 compared to a State average increase of 6 percent; and increased the number of cases making a payment towards arrears by 9 percent compared to a State average increase of 6 percent. PSI's staff also received a customer satisfaction rating of 96 percent. Teller County has had no net penalties during PSI's operation of the program.



Full-service Child Support, West Virginia
For this program, PSI paid penalties of \$82,710.65 in fiscal year July 1, 2002–June 30, 2003. These penalties were negated by significant incentive payments to PSI from the State related to our cost efficiency, compliance with program standards, and customer service. The penalties reflected a lower than expected increase in the percentage of current support collected. In fiscal year July 1, 2003–June 30, 2004, penalties of \$116,755.68 were assessed for an increase in the percentage of current support collected that was lower than expected, although \$89,752.09 of that penalty was offset by incentive payments. For the State fiscal year 2005, we had no penalties and earned an incentive payment in the amount of \$232,161.84. For the fiscal year 2006, we received a penalty equal to \$81,914.83 related to not increasing the current support ratio by two percentage points over the prior year, but received an offsetting incentive payment of \$95,355.02 for cost efficiency, compliance with program standards, and customer service.
Florida KidCare Program
In December 2004, PSI received a notice from the Florida KidCare Program stating that PSI did not meet certain outcomes in all performance standards. After PSI purchased the contract to manage the Children's Health Insurance Program for the Florida Healthy Kids Corporation in 2003, the operation was moved to Florida in February 2004. Concurrently, the program was subjected to substantial policy changes, and our performance standards were not aligned with the new program. For example, call center demand doubled in the second half of 2004, and PSI was held accountable for delivering the same performance outcomes. This was in spite of multiple programmatic changes dictated by the legislature and actions taken by the governor in response to hurricanes that affected families' ability to respond to program requests for information and premium payment. To remedy this issue, PSI responded to the notice and implemented an approved corrective action plan. PSI and FHKC subsequently negotiated a reduction in payment to PSI in the amount of \$149,000.
Child Support Program, State of Illinois and Cook County
From August 2004 to March 2006 PSI operated a multi-function child support program for the State of Illinois and Cook County. The Illinois Enforcement Services contract was made up of seven different child support service components. PSI was consistently successful in six of these areas but received sanctions for non-compliance in one area, with a modification performance requirement of 99 in the following amounts: \$62,500 for April–June 2005; \$239,583 for August–September 2005; \$234,375 for October–December 2005; and \$15,625 for January–March 2006.

Other than the situations described, PSI has never had any legal actions, disciplinary actions, or federal or state investigations associated with performance or contract disputes.

4.2.10.3: HISTORY OF LITIGATION

During the last five (5) years list and summarize pending or threatened litigation, administrative or regulatory proceedings, or similar matters that relate to services similar to those contemplated by this RFP. In addition, the bidder shall identify any such actions or proceedings that could affect the ability of the bidder to perform the required services. The bidder must also state whether it or any owners, officers, or primary partners have ever been convicted of a felony. Failure to disclose these matters may result in rejection of the bid proposal or in termination of any subsequent contract. This is a continuing disclosure requirement. Any such matter commencing after submission of a bid proposal, and with respect to the successful bidder after the execution of a contract must be disclosed in a timely manner in a written statement to the Department.

Pending Litigation, EEOC, and Administrative Claims

Title of Lawsuit	Date Filed	Description	Status
Maximus, Inc. v. Maryland State Board of Contract Appeals	6/9/03	Maximus, Inc. filed an appeal to the Maryland State Board of Contract Appeals (the "Board") challenging the recommendation of an award to PSI of a multi-year contract to provide full-service child support enforcement services.	Dismissed 3/15/04
Policy Studies Inc. v. Aurora Investments II, Inc.	07/2/04	PSI alleged that Aurora Investments breached terms of lease by not complying with lease terms to fund escrow account.	Settled at mediation 10/1/05
ACS Protest Appeal	3/15/05	ACS State Healthcare LLC protested the selection of Policy Studies Inc as the recommended awardee of a contract under the Maryland HealthChoice Enrollment Broker solicitation.	Contract award upheld 8/29/05



Title of Lawsuit	Date Filed	Description	Status
Policy Studies Inc. v. Nordis, Inc. d/b/a Nordis Direct	6/12/06	PSI claimed breach of contract, conversion, and, unjust enrichment	Dismissed 2/15/07
Title of EEOC Claim	Date of Notice	Description	Status
LH	1/22/07	Discrimination based on disability and age.	Claim filed.
JW	3/14/07	Discrimination based on sex.	Claim filed.
MC	5/24/07	Discrimination based on disability	Claim filed.
SS	7/25/07	Discrimination based on race.	Claim filed.
VY	9/24/07	Discrimination based on race and national origin.	Claim filed.
Title of Administrative Claim	Date of Notice	Description	Status
BO	4/10/07	Wage withholding claim.	Claim filed. PSI will dispute.

Neither PSI nor any of our owners, officers, or primary partners has ever been convicted of a felony. PSI does not have any past litigation, administrative or regulatory proceedings, or similar matters that resulted in judgments or orders. To that extent, there are no claims that would impair PSI's ability to perform the services required by the RFP.

4.2.10.4: HISTORY OF IRREGULARITIES IN ACCOUNTS

During the last five (5) years, have any irregularities been discovered in any of the accounts maintained by the bidder on behalf of others? If so, describe the circumstances of irregularities or variances and disposition of resolving the irregularities or variances.

PSI is not aware of any irregularities in accounts maintained by PSI on behalf of others during the last five years.



Section 4.2.11 – 4.2.18: RFP Requirements

4.2.11: ACCEPTANCE OF TERMS AND CONDITIONS

The bidder shall specifically stipulate that the bid proposal is predicated upon the acceptance of all terms and conditions stated in the RFP. If the bidder objects to any term or condition, specific reference to the RFP page and section number must be made. Objections or responses that materially alter the RFP shall be deemed non-responsive and disqualify the bidder. All changes to proposed contract language, include deletions, additions, and substitutions of language, must be addressed in the bid proposal in compliance with Section 6.1 of the RFP.

PSI accepts all terms and conditions stated in the RFP. We do not propose any exceptions.

4.2.12: PROPOSAL CERTIFICATION

The bidder shall sign and submit with the bid proposal the document included as Attachment 7 in which the bidder shall certify that the contents of the bid proposal are true and accurate.

4.2.13: CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST

The bidder shall sign and submit with the bid proposal the document included as Attachment 8 on which the bidder shall certify that the bid proposal was developed independently. The bidder shall also certify that no relationship exists or will exist during the contract period between the bidder and the Department that interferes with fair competition or is a conflict of interest. The Department reserves the right to reject a bid proposal or cancel the Notice of Intent to Enter into Contract Negotiations if, in its sole discretion, any relationship exists that could interfere with fair competition or conflict with the interests of the Department.

4.2.14: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS

The bidder shall sign and submit with the bid proposal the document included as Attachment 9 on which the bidder shall certify that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal, department or agency.

4.2.15: CERTIFICATION REGARDING REGISTRATION, COLLECTION AND REMISSION OF STATE SALES AND USE TAX

The bidder shall sign and submit with the bid proposal the document included as Attachment 10.

4.2.16: AUTHORIZATION TO RELEASE INFORMATION

The bidder shall sign and submit with the bid proposal the document included as Attachment 11 on which the bidder authorizes the release of information to the Department.

4.2.17: FIRM BID PROPOSAL TERMS

The bidder shall guarantee in writing the availability of the services offered and that all bid proposal terms, including price, will remain firm a minimum of one hundred twenty (120) days following the deadline for submitting proposals.

As stated in our transmittal letter, PSI guarantees the availability of all services offered in our proposal and guarantees that all proposal terms, including price, will remain firm for 120 days beyond February 8, 2008.

4.2.18: BID PROPOSAL SECURITY

The bidder shall submit a bid bond, a certified or cashier's check, or an irrevocable letter of credit in favor or made payable to the Department in the amount of \$500,000.00. This shall guarantee the availability of the services as provided in the preceding subsection. If the bidder elects to use a bond, a surety licensed to do business in Iowa must issue the bond on a form acceptable to the Department. The bid proposal security shall be forfeited if the bidder chosen to receive the Contract withdraws its bid proposal after the Department issues a Notice of Intent to Award, does not honor the terms offered in its bid proposal, or does not negotiate Contract terms in good faith. Security submitted by bidders will be returned when the bid proposals expire, are rejected, or the Department enters into a Contract with the successful bidder, whichever is earliest.

Please see Attachments for forms required by 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, and 4.2.18.

Attachment 7 - PROPOSAL CERTIFICATION**BIDDERS – SIGN AND SUBMIT CERTIFICATION WITH PROPOSAL.**

I certify that I have the authority to bind the bidder indicated below to the specific terms, conditions and technical specifications required in the Department's Request for Proposals (RFP) and offered in the bidder's proposal. I understand that by submitting this Bid Proposal, the bidder indicated below agrees to provide administrative services for the Healthy and Well Kids in Iowa (*hawk-i*) Program which meet or exceed the requirements of the Department's RFP unless noted in the Bid Proposal and at the prices quoted by the bidder.

I certify that the contents of the Bid Proposal are true and accurate and that the bidder has not made any knowingly false statements in the Bid Proposal.



Martin G. Bobroske

Name

January 31, 2008

Date

Executive Vice President

Title

Policy Studies Inc.

Name of Bidder Organization

ATTACHMENT 8 - CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST**CERTIFICATION OF INDEPENDENCE AND NO CONFLICT OF INTEREST**

By submission of a bid proposal, the bidder certifies (and in the case of a joint proposal, each party thereto certifies) that:

- the bid proposal has been developed independently, without consultation, communication or agreement with any employee or consultant of the Department who has worked on the development of this RFP, or with any person serving as a member of the evaluation committee;
- the bid proposal has been developed independently, without consultation, communication or agreement with any other bidder or parties for the purpose of restricting competition;
- unless otherwise required by law, the information in the bid proposal has not been knowingly disclosed by the bidder and will not knowingly be disclosed prior to the award of the Contract, directly or indirectly, to any other bidder;
- no attempt has been made or will be made by the bidder to induce any other bidder to submit or not to submit a bid proposal for the purpose of restricting competition;
- no relationship exists or will exist during the Contract period between the bidder and the Department that interferes with fair competition or is a conflict of interest.

Name  Martin G. Bobroske

Date January 31, 2008

Executive Vice President

Title _____

Policy Studies Inc.

Name of Bidder Organization _____

ATTACHMENT 9- CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED TRANSACTIONS

By signing and submitting this Proposal, the bidder is providing the certification set out below:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the bidder knowingly rendered an erroneous certification, in addition to other remedies available to the federal government the Department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
2. The bidder shall provide immediate written notice to the person to whom this Proposal is submitted if at any time the bidder learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this Proposal is submitted for assistance in obtaining a copy of those regulations.
4. The bidder agrees by submitting this Proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department or agency with which this transaction originated.
5. The bidder further agrees by submitting this Proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for transactions authorized under paragraph 4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY
AND/OR VOLUNTARY EXCLUSION--LOWER TIER COVERED TRANSACTIONS**

- (1) The bidder certifies, by submission of this Proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (2) Where the bidder is unable to certify to any of the statements in this certification, such bidder shall attach an explanation to this Proposal.



(Signature)

January 31, 2008

(Date)

Executive Vice President

(Title)

Policy Studies Inc.

(Company Name)

**ATTACHMENT 10 - CERTIFICATION REGARDING REGISTRATION,
COLLECTION AND REMISSION OF STATE SALES AND USE TAX**

January 31, 2008

Jon Neiderbach, Issuing Officer
Division of Financial, Health and Work Supports
Hoover State Office Building
1305 E. Walnut, 5th Floor
Des Moines, IA 50319-0114

Re: Request for Proposal Number FWHS-08-17
CERTIFICATION REGARDING REGISTRATION, COLLECTION, AND
REMISSION OF STATE SALES AND USE TAX

Dear Mr. Neiderbach:

Pursuant to 2005 Iowa Acts SF 413 – which creates new Iowa Code subsections 423.2(9A) & 423.5(8) – a retailer in Iowa or a retailer maintaining a business in Iowa that enters into a contract with a state agency must register, collect, and remit Iowa sales tax and Iowa use tax levied under Iowa Code chapter 423 on all sales of tangible personal property and enumerated services. The Act also requires vendors to certify their compliance with sales tax registration, collection, and remission requirements and provides potential consequences if the certification is false or fraudulent.

By submitting a proposal in response to **Iowa Department of Human Services** Request for Proposal Number FWHS-08-17 for **Administrative Services for the Healthy and Well Kids in Iowa (hawk-i) Program**(RFP), the undersigned certifies the following: (check the applicable box)

[Name of Vendor] is registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa Code chapter 432; or

☒ **Policy Studies Inc.** is not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in Iowa Code subsections 423.1(42) & (43).

Policy Studies Inc. also acknowledges that the **Iowa Department of Human Services** may declare the **Policy Studies Inc.**’s bid or resulting contract void if the above certification is false. **Policy Studies Inc.** also understands that fraudulent certification may result in the **Iowa Department of Human Services** or its representative filing for damages for breach of Contract.

Sincerely,



Martin G. Bobroske
Executive Vice President

ATTACHMENT 11 - AUTHORIZATION TO RELEASE INFORMATION**AUTHORIZATION TO RELEASE INFORMATION**

Martin G. Bobroske of
Policy Studies Inc. (Name of bidder) hereby authorizes any person or entity, public or private, having any information concerning the bidder's background, including but not limited to its performance history regarding its prior rendering of services similar to those detailed in this RFP, to release such information to the Department.

The bidder acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The bidder acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the Department or may otherwise hurt its reputation or operations. The bidder is willing to take that risk. The bidder agrees to release all persons, entities, the Department, and the State of Iowa from any liability whatsoever that may be incurred in releasing this information or using this information.

Policy Studies Inc.

Printed Name of Bidder Organization


Signature of Authorized Representative

January 31, 2008

Date

Bank of America

BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: JANUARY 31, 2008

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3091880

ISSUING BANK
BANK OF AMERICA, N.A.
1000 W. TEMPLE STREET
7TH FLOOR, CA9-705-07-05
LOS ANGELES, CA 90012-1514

BENEFICIARY
IOWA DEPARTMENT OF HUMAN SERVICES
HOOVER STATE OFFICE BUILDING,
5TH FLOOR, 1305 E. WALNUT ST.
DES MOINES, IA 50319-0114

APPLICANT
POLICY STUDIES INC.
1899 WYNKOOP ST.
SUITE 300
DENVER CO 80202

ATTN: JON NEIDERBACH,
ISSUING OFFICER, HAWK-I PROGRAM

AMOUNT
NOT EXCEEDING USD 500,000.00
NOT EXCEEDING FIVE HUNDRED THOUSAND AND 00/100'S US DOLLARS

EXPIRATION
JUNE 7, 2008 AT OUR COUNTERS

AT THE REQUEST AND FOR THE ACCOUNT OF POLICY STUDIES, INC. WE HEREBY
ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN THE AMOUNT OF FIVE
HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00), WHICH IS AVAILABLE
AGAINST SIGHT DRAFT(S) OF THE BENEFICIARY BEARING THE CLAUSE "DRAWN
UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER 3091880" AND
ACCOMPANYING BY THE FOLLOWING DOCUMENTS.

1. BENEFICIARY'S CERTIFICATE DATED AND SIGNED BY AN AUTHORIZED
OFFICER STATING:

"WE CERTIFY THAT THE AMOUNT OF OUR DRAWING UNDER LETTER OF CREDIT
NUMBER 3091880 IS DUE AS POLICY STUDIES, INC IS IN DEFAULT OF ITS
OBLIGATIONS WITH US UNDER THE PSI PROPOSAL SUBMITTED IN RESPONSE TO
BID BOND IOWA RFP # FHWS-08-17."

"WE CERTIFY THAT THE AMOUNT OF THE DRAFT PRESENTED DOES NOT EXCEED
THE GREATER OF THE AMOUNT ALLOWED PURSUANT TO RFP # FHWS-08-17."

2. A COPY OF THE LETTER DATED AT LEAST SEVENTY-TWO (72) HOURS PRIOR
TO THE DATE ON THE DRAFT PRESENTED FOR DRAWING UNDER THIS LETTER OF
CREDIT ADDRESSES TO POLICY STUDIES, INC READING AS FOLLOWS, "WE
HEREBY INDICATE OUR INTENTION TO DRAW UNDER BANK OF AMERICA, N.A.,
LETTER OF CREDIT NO. 3091880."

ORIGINAL

Bank of America

BANK OF AMERICA - CONFIDENTIAL

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 3091880

WE ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON DELIVERY OF DOCUMENTS AS SPECIFIED IF PRESENTED AT THIS OFFICE ON OR BEFORE JUNE 7, 2008.

PARTIAL DRAWINGS ARE PERMITTED.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICES FOR DOCUMENTARY CREDIT (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 600.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 213-580-8345.

AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

Bolivar Carrillo

ORIGINAL